Daily Report

Latin America

FBIS-LAT-89-030
Wednesday
15 February 1989

Daily Report
Latin America

FBIS-LAT-89-030 *15 February 1989*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Presidential Summit Ends in El Salvador 1
Agreement Reached on UN Verification *[San Salvador Radio]* 1
Costa Rica's Madrigal Comments *[San Jose Radio]* 1
'No Substantial Agreement' Reached *[ACAN]* 1
Participants Comment on Results of Summit Meeting 2
Arias 'Pleased' With Results *[AFP]* 2
Azcona 'Sure' U.S. To Accept Contra Decision *[ACAN]* 2
Ortega on Review, Modifying Media Law *[AFP]* 2
Presidents End Summit With 'Joint Declaration' *[ACAN]* 2
Further on Agreement *[ACAN]* 4
Central American Presidents Leave for Home *[ACAN]* 4
Nicaraguan Resistance Rejects Agreement *[ACAN]* 4
Summit Termed 'Coup de Grace' for Contras *[ACAN]* 5

CARIBBEAN

Cuba

Analysis of 'Anti-Castro Campaign' in Venezuela *[Havana TV]* 6
Vice President Receives Vatican, Swiss Envoys *[Havana TV]* 6
Meeting Shows Solidarity With Palestinian State *[Havana TV]* 7
Castro Diaz-Balart Receives Soviet Delegation *[Havana TV]* 7
Joint Interview *[Havana Radio]* 7
Guinea Foreign Minister Arrives in Havana *[Havana TV]* 8
Talks With Malmierca *[Havana TV]* 8
Tours Hospital, Polyclinic *[Havana TV]* 8
UNGA To Approve Funding for Verification *[Havana Radio]* 8
Trade Ministers' Meeting Begins in Havana *[Havana TV]* 9
Construction Ministry Studies Plans for 1989 *[Havana Radio]* 9
Men Detained in Camaguey for Robbery *[Havana Radio]* 9
Revolutionary Police Detain Man for Robbery *[Havana Radio]* 10
5 Citizens Fail in Train Robbery Attempt *[Havana TV]* 10

MEXICO

Further on Cuban Vice President's Comments *[Madrid EFE]* 11
Negroponte Appointment as Ambassador Examined *[EL NACIONAL 7 Feb]* 11
Pemex Officials Meet Japanese Industrialists *[THE NEWS 6 Feb]* 12
Growth To Be Key Element in Debt Negotiation *[EL NACIONAL 7 Feb]* 12
Bank of Mexico's Foreign Reserves Drop *[UNOMASUNO 6 Feb]* 12
Non-Energy Exports Increase in 1988 *[THE NEWS 6 Feb]* 12
Cardenas on New Party, Government Plans *[UNOMASUNO 5 Feb]* 13
Police Seize 5 Tons of Marijuana; 18 Arrested *[Mexico City TV]* 14
64 Metric Tons of Marijuana Seized in 1 Month *[EL NACIONAL 7 Feb]* 14

CENTRAL AMERICA

El Salvador

FMLN's 'Warm, Revolutionary' Welcome to Ortega *[Radio Venceremos]* 15
Venceremos Summarizes FMLN Military Actions *[Radio Venceremos]* 15

Nicaragua

Ortega Comments on Summit Agreement, Contras *[AFP]* 15
CDN Communique Gives Position on Summit, Ortega *[LA PRENSA 10 Feb]* 15
600 'Political Prisoners' on Hunger Strike *[ACAN]* 16
Finance Minister on Canal Construction Plans *[BARRICADA 11 Feb]* 16

Panama

Solis Palma Addresses Workers, Calls for Unity *[Panama City Radio]* 17
Solis Palma Comments on Japan Trip, Perez *[Panama City TV]* 19
Commentary on U.S. 'Anti-Panama Campaign' *[Panama City TV]* 19
Opposition Rejects Noriega Invitation for Talks *[ACAN]* 20
'Irregularities' in Candidate Nominations Seen *[Panama City TV]* 21
ADOC's Endara on Need To Honor Canal Treaties *[LA ESTRELLA DE PANAMA 13 Feb]* ... 21
RPC TV's Silence on Bomb Attack Criticized *[LA REPUBLICA 10 Feb]* 22

SOUTH AMERICA

Argentina

Menem Warns of Bloodshed Over the Falklands *[NOTICIAS ARGENTINAS]* 23
Terrorist Leader Merlo Said in Brazil *[Rio de Janeiro O GLOBO 13 Feb]* 23

Bolivia

Information Minister Says Ties With U.S. 'Notable' *[La Paz Radio]* 23
MNR Leader Says Five Ministers Will Resign *[La Paz Radio]* 23
Minister Denies Resignations *[La Paz Radio]* 23
Interior Minister Rules Out Existence of Guerrillas *[La Paz Radio]* 23
Foreign Ministry Enquires About Arms Shipment *[La Paz Radio]* 24
Bedregal Denies Arms Story *[La Paz Radio]* 24
* Integration Talks With Brazil Continue *[EL MUNDO 5 Jan]* 24
* INE Report Gives 1988 Inflation Figures *[EL MUNDO 4 Jan]* 25

Brazil

Finance Minister Discusses 'Summer Plan' *[FOLHA DE SAO PAULO 12 Feb]* 25
Petrobras Daily Oil Production Goal Noted *[Brasilia Radio]* 27
* Centrist Disunity Thwarts Possible Alliance 27
* Candidate Search *[O ESTADO DE SAO PAULO 1 Jan]* 27
* Internal Division *[O ESTADO DE SAO PAULO 1 Jan]* 28
* Labor Views Economic Crisis, Social Pact *[MANCHETE 31 Dec]* 28

Chile

Bank Says U.S. 'Best Trade Partner' in 1988 *[Santiago Radio]* 35
Liberal Democratic Party Registration Canceled *[Santiago TV]* 35
O'Higgins Military School Gets New Director *[Santiago Radio]* 35
* State Cites PCCh for Security Law Violations *[ANALISIS 19 Dec]* 35
* Communist Party Congress, Policies Examined *[QUE PASA 22 Dec]* 36

Colombia

Guerrillas Kidnap 10 Policemen, Attack Boat *[Bogota TV]* 38
Paramilitary Group Kills UP Leader in Santander *[Hamburg DPA]* 39

Paraguay

Japan Recognizes Provisional Government *[ULTIMA HORA 14 Feb]* 39
Rodriguez Urges Youths To Forget Past *[ULTIMA HORA 13 Feb]* 39
Laino Addresses Rally; Comments on Elections *[Asuncion TV]* 40
Election Postponement Urged *[HOY 14 Feb]* 41
MOPOCO Leaves Opposition National Accord *[HOY 14 Feb]* 42
Political Figures Comment on Recent Events *[Asuncion TV]* 42
New Armed Forces' Assignments Announced *[HOY 14 Feb]* 48

Uruguay

Protest To Be Lodged on British Plane Incident *[DYN]* 49
Further on Protest *[TELAM]* 49

Venezuela

Minister on Normalization of Relations With Cuba *[Madrid EFE]* 49
Cabinet Members Analyze Economic Measures *[Caracas TV]* 50
Government Appoints New OPEC Representative *[Caracas TV]* 50
Police Detain 'Tourists,' Seize Cocaine *[EL NACIONAL 2 Feb]* 50
• Venezuela's Perez Accused of 'Demagoguery' *[EL NUEVO DIARIO 13 Jan]* 51

Suriname

Arron Returns, Discusses Meetings in Venezuela *[Paramaribo International]* 51
Insurgent Activities Hurt Cooking Oil Company *[CANA]* 52
Narcotics Squad Discovers Marijuana Plantation *[Paramaribo International]* 52

Presidential Summit Ends in El Salvador

Agreement Reached on UN Verification

PA1402134589 San Salvador Radio Cadena YSKL in Spanish 1205 GMT 14 Feb 89

[Excerpt] Costa del Sol, El Salvador—The Central American presidential summit that began in El Salvador on Monday has achieved substantial progress in security matters. However, there were heated debates on political matters.

The five presidents agreed to have Spain, Germany, and Canada make up a UN international verification commission to supervise security on Central American borders. According to sources from various delegations, all that remains to be settled are some matters on the composition of this force, which will be strictly civilian. The force will be provided with equipment to detect possible movements by rebel groups or to detect gunrunning between countries. [passage omitted]

Costa Rica's Madrigal Comments

PA1402222389 San Jose Radio Impacto in Spanish 1856 GMT 14 Feb 89

[Report by Mario Carmona]

[Text] There have been no announced results thus far for the Central American presidential summit scheduled to end at 1100 today. However, according to a Costa Rican Government source, who asked not to be identified, there are many subjects on which the presidents have not reached an agreement and many topics have ended up in a deadlock.

At 1030 on Monday, the presidents began their meeting, which lasted until midnight. Talks were resumed today at 1010.

It was learned that there are two working documents currently under discussion. One was proposed by Guatemala and the other by Costa Rica. Honduras and Nicaragua made specific contributions to these documents, while El Salvador has not as yet presented any document.

This morning Costa Rican President Oscar Arias met with Paul Geiller, an adviser of the Sandinist regime, to discuss the peace process, but no specific issues were discussed.

Meanwhile, Costa Rican Foreign Minister Rodrigo Madrigal Nieto informed us of today's developments at both the presidential summit and foreign ministers meeting, which are taking place simultaneoulsy. This is what Madrigal had to say:

[Begin recording] [Madrigal] I cannot say any solution has been found yet. Of course, we are willing to extend the meeting beyond the time it was scheduled to end, which was 1100. We are holding separate meetings trying to find solutions to the various problems discussed. We are trying to agree on a final document. As you know, there have been some problems, which we are trying to resolve. I cannot tell you what the results will be right now because, as you know, the situation is constantly changing due to the proposals that are being made.

[Reporter] [Words indistinct] agreement today?

[Madrigal] I would hope so, and I feel it is important, not only concerning the political situation, but also in regard to commitments made for democratization, as both aspects are important.

[Reporter] What about the setbacks?

[Madrigal] Let me see if I can I exlain the mechanism. I believe the general consensus is that there must be verification. Some countries are objecting and demanding that the national reconciliation commissions play a more dynamic verification role. We agree because the national reconciliation commissions are made up of the government, opposition, Church, and well-known people, and these subcommissions should also be open so that any specialized international agency can participate in any specific verification aspect. This is more or less the idea we are defending. Nicaragua, specifically, has not wanted the verification commissions to play that role. In fact, since the Alajuela Agreement it was said that the verification commission would play that role, which is what we are reaffirming.

[Reporter] What about international participation in the verification?

[Madrigal] We have no objection at all. On the contrary, Costa Rica—I believe Honduras and Guatemala too—are the only ones to accept the jurisdiction of the Inter-American Human Rights Court. The other countries have been unwilling to submit to verification. Nicaragua [words indistinct] court jurisdiction. We, therefore, believe that everything that ties us more to international organizations is good and advisable. [end recording]

'No Substantial Agreement' Reached

PA1402223489 Panama City ACAN in Spanish 2214 GMT 14 Feb 89

[Text] Costa del Sol (El Salvador), 14 Feb (ACAN-EFE)—The Central American presidential summit concluded today at 1600 in El Salvador with no substantial agreement on security issues in the area, according to diplomatic sources.

The presidents of Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica began a meeting in El Salvador on Monday to reactivate the Esquipulas II agreements.

The summit that ended today is the fourth held by the Central American presidents since May 1986, when they met for the first time in Guatemala.

The second summit was held in August 1987, also in Guatemala, and the third summit was held in January 1988 in Costa Rica.

Participants Comment on Results of Summit Meeting

Arias 'Pleased' With Results

PA1502021489 Paris AFP in Spanish
0119 GMT 15 Feb 89

[Text] Costa del Sol, El Salvador, 14 Feb (ACAN-EFE)—Costa Rican President Oscar Arias said he was "pleased" with the agreements reached here today at the end of the Central American presidential summit. He said that "the flame of Esquipulas has not and will not be extinguished."

In a news conference at the end of the presidential summit, Arias said that the five presidents "have shown that they want to seek democratization in Central America."

The Costa Rican president, the main promoter of the Esquipulas agreements, stressed among the accomplishments of the summit the Nicaraguan Government's unilateral promise to hold general elections at the latest by 25 February 1990 and to provide "full guarantees to the opposition" by modifying the electoral and media laws.

Arias also stressed Honduran President Jose Azcona's commitment to cooperate with the repatriation or relocation in a third country of between 8,000 and 12,000 contras.

"We have been advancing toward the strengthening of democracy in Central America despite the differences of views in some countries," Arias said. He is scheduled to return this afternoon to Costa Rica.

"I have always been optimistic, a dreamer. I always thought we were going to achieve significant results," Arias, who received the Nobel Peace Prize in 1987, said.

The Costa Rican president said he is in favor of "more frequent meetings" among the Central American presidents, and he noted that today's agreements include the possibility of a new summit in Honduras, though the date has not yet been determined.

"It is not easy to reconcile different viewpoints, but we have begun to find a willingness to reach agreements," he added.

Arias and the other presidents today called on the insurgent forces to join the political life of their respective countries, and in this regard, the Costa Rican president urged the FMLN guerrillas to "exchange their weapons for ballot boxes."

Azcona 'Sure' U.S. To Accept Contra Decision

PA1502014389 Panama City ACAN in Spanish
0117 GMT 15 Feb 89

[Text] Costa del Sol, El Salvador, 14 Feb (ACAN-EFE)—Honduran President Jose Azcona today said he is "sure" that the United States "will accept" the disbanding of the Nicaraguan contras in Honduras, as was agreed today at the Central American presidential summit in El Salvador.

Azcona believes that Washington will accept the Central American presidents' decision—which means a "coup de grace" to the contras—the same way that it has "respected" the Esquipulas II peace agreements.

The Honduran president said his government will comply with the commitment made in El Salvador today because it is a decision "agreed upon by consensus" of the Central American presidents.

The U.S. State Department, through two envoys, one of them accredited as a journalist at the hotel where the summit was held, followed the meeting developments closely.

Approximately 13,000 Nicaraguan Resistance fighters are in Honduras. The United States cut off military aid to them in early 1987.

Ortega on Review, Modifying Media Law

PA1502000289 Paris AFP in Spanish
2327 GMT 14 Feb 89

[Text] Costa del Sol, El Salvador, 14 Feb (AFP)—Nicaragua will guarantee the free operation of all the media by reviewing and modifying the media law and giving all parties equal access to state-owned television and radio stations, Nicaraguan President Daniel Ortega announced here today.

Likewise, the Sandinist government "will authorize all the news media to equip themselves, either in Nicaragua or abroad, with the necessary materials, tools, and equipment to fully carry out their tasks," the president added upon leaving the Central American summit that concluded today in El Salvador.

Presidents End Summit With 'Joint Declaration'

PA1502005689 Panama City ACAN in Spanish
0332 GMT 15 Feb 89

["Joint declaration" issued by the five Central American presidents at the Tesoro Beach Hotel in El Salvador on 14 February; read by Salvadoran President Jose Napoleon Duarte—recorded]

[Text] The presidents of El Salvador, Guatemala, Honduras, Nicaragua, and Costa Rica, meeting in La Paz Department, El Salvador on 13 and 14 February 1989, analyzed the Central American peace process and

adopted necessary decisions to continue this process, with the understanding that the commitments made within the framework of Esquipulas II and the Alajuela Declaration constitute a common and indivisible whole.

The presidents of Costa Rica, El Salvador, Guatemala, and Honduras learned of the expressed willingness of Nicaraguan President Daniel Ortega Saavedra to undertake a process of democratization and national reconciliation in his country within the framework of the Esquipulas II agreements, in accordance with the following actions, among others:

Once the reforms to the electoral laws and the laws that regulate the expression of thought, news, and public opinion are carried out in such a way that they guarantee the organization and the political action of the parties in the broadest sense, there will be a 4-month period to prepare, organize, and mobilize the parties. After this, a 6-month period of political activity will begin. At the end of this period, elections for president, vice president, national assembly representatives, municipal positions, and the Central American parliament will be held. The elections must be held by 25 February 1990, unless, by common agreement, the government and the opposition political parties decide they should be held on another date.

The Nicaraguan Supreme Electoral Council will have a balanced participation of representatives of the opposition political parties. In this sense, the presidents issue a call to the Nicaraguan political parties to participate in the electoral process. International observers, especially delegates of the United Nations and OAS secretaries general, will be invited to be present in all electoral districts during the previously mentioned two periods in order to confirm the honesty of the process. The Nicaraguan Government will guarantee the free operation of the news media through the revision and modification of the media law and will guarantee all political parties equal access to air time on the state-owned television and radio stations. The Nicaraguan Government will authorize all the news media to obtain in Nicaragua and abroad, as they see fit, all the material, tools, and equipment necessary for them to fully carry out their work.

In accordance with the Nicaraguan president's proposal and the Honduran president's initiative, the Central American presidents have pledged to draft, within 90 days, a joint plan to demobilize, repatriate, or voluntarily relocate members of the Nicaraguan Resistance and their relatives to Nicaragua or third countries.

To this end, they will seek the technical advice of UN experts. In order to help create the conditions for the demobilization, relocation, or voluntary repatriation of Nicaraguans who have been directly or indirectly involved in armed activities and who are currently in Honduran territory, the Nicaraguan Government has decided to release prisoners in accordance with the Inter-American Commission on Human Rights' definition. This plan also allows for aid for the voluntary demobilization of all those people who were, and still are, involved in armed activities in countries in the region.

The Executive Commission [composed of the five Central American foreign ministers] will immediately hold technical meetings to establish the most appropriate and efficient means of complying with the pledge to verify security, in keeping with the talks held in New York with the UN secretary general.

The presidents have reaffirmed the National Reconciliation Commissions' ability to contribute to the development of specific verification procedures in the areas established in the Guatemala Document and the Alajuela Declaration, and to periodically inform the Executive Commission of their results.

The Central American presidents have firmly reiterated the position stated in point five of the Esquipulas II agreement, whereby regional and extraregional nations that provide open or covert protection for irregular forces or insurrectional movements in the region must immediately desist from aiding these groups, except for humanitarian aid that may contribute to this document's goals.

The presidents have urged all sectors, especially the insurrectional movements and irregular forces in the region, to join the constitutional political processes in their countries. The presidents thus call on all Salvadoran groups to participate in the upcoming elections.

The presidents reiterated the importance of the Central American parliament as the forum where the people of the area, through their freely and directly elected representatives, can discuss issues and make appropriate recommendations regarding Central America's political, economic, social, and cultural problems.

The presidents made an urgent appeal to the international community to support the process of socioeconomic recovery of the Central American nations over the short and medium term, bearing in mind the serious foreign debt problem and the need for an increase in intraregional trade as a basic means of strengthening the integration process. They asked for support, particularly from the EEC, to carry out the program for resuming, reorganizing, and strengthening the process of economic integration of the Central American isthmus that was officially presented in Guatemala in January.

They very gladly welcomed the report of the International Commission for Recovery and Development of Central America [Comision Internacional para la Recuperacion y Desarrollo de Centroamerica], which represents a significant contribution to the consolidation of democracy and the creation of a system for well-being and economic and social justice in the region.

The presidents committed themselves to seek direct, negotiated solutions to overcome the conflicts that have arisen as a result of the Central American crisis.

The presidents agreed to create a Central American Environment and Development Commission [Comision Centroamericana del Ambiente y Desarrollo] as a regional cooperation mechanism to facilitate the optimal and rational use of the area's natural resources, pollution control, and restoration of the ecological balance. During its first meeting, the Executive Commission will appoint the members of this commission and will immediately call on them to meet and to draw up a draft of an agreement that will define the new commission and regulate its functions.

Likewise, the presidents expressed their resolute support for the the international conference on Central American refugees to be held in Guatemala in May of this year, because holding this conference will help in finding solutions to the problems faced by refugees and displaced persons affected by the crisis in the region.

They agreed to promote a regional cooperation agreement to eradicate illegal drug trafficking. In this regard, the Executive Commission will draw up a draft of an agreement to be submitted to the governments concerned.

In addition, they expressed their governments' resolve to support the initiative to establish the convention on children's rights within the context of the United Nations.

The presidents agreed to meet on a date to be set later in the Republic of Honduras.

The Guatemalan, Honduran, Nicaraguan, and Costa Rican presidents thank the Salvadoran people and Government, and particularly President Jose Napoleon Duarte, for their hospitality and for providing a most adequate framework to hold this meeting.
[Issued in] La Paz Department, El Salvador
14 February 1989
Signed by all those present

Further on Agreement

PA1402235589 Panama City ACAN in Spanish 2325 GMT 14 Feb 89

[Text] Costa del Sol, El Salvador, 14 Feb (ACAN-EFE)—The five Central American presidents have agreed to draft within 90 days a plan for the "demobilization and repatriation or voluntary relocation" of the contras, as well as measures to democratize the Nicaraguan regime.

The announcement was made by Salvadoran President Jose Napoleon Duarte in the closing ceremony of the summit of the five Central American presidents.

Along with the agreement on the plan for the "demobilization and repatriation or relocation" of the contras, the presidents' final declaration also stated that Nicaraguan President Daniel Ortega has promised to democratize the Sandinist regime.

As part of this commitment, Nicaragua promised to reform the electoral and media laws and to hold elections prior to 25 February 1990 [date as received].

Nicaragua commits itself to expand the Supreme Electoral Council to include delegates from the opposition parties and to have two campaign periods, one for 4 months and the other for 6 months. The first period would permit all the political groups to prepare for the campaign and the second period would be for the campaign itself.

Central American Presidents Leave for Home

PA1502011989 Panama City ACAN in Spanish 0032 GMT 15 Feb 89

[Text] Costa del Sol, El Salvador, 14 Feb (ACAN-EFE)—The presidents of Guatemala, Honduras, Nicaragua, and Costa Rica returned to their countries today at the end of a 2-day summit on El Salvador's Pacific coast. During the summit, they agreed on measures to disband the contras and democratize Nicaragua.

The first to leave for home were Honduran President Jose Azcona Hoyo and Guatemalan President Vinicio Cerezo. Costa Rican President Oscar Arias and Nicaraguan President Daniel Ortega left minutes later.

The four presidents were seen off by the host of the summit, Jose Napoleon Duarte, who thanked them for "the high level of political will" they took to El Salvador to "support" the Esquipulas II peace agreement, which was signed in Guatemala 2 years ago.

"The five of us are pleased with the progress achieved to deal with the Central American political situation," Duarte said at the end of the summit. The summit began at 1030 (1630 GMT) on Monday and ended at 1600 (1600 GMT) [time as received] today.

Similar opinions were expressed by the four other presidents prior to leaving the Tesoro Beach Hotel, on El Salvador's Pacific coast. More than 400 journalists from throughout the world covered the summit.

Nicaraguan Resistance Rejects Agreement

PA1402231189 Panama City ACAN in Spanish 2232 GMT 14 Feb 89

[Text] Costa del Sol, El Salvador, 14 Feb (ACAN-EFE)—Nicaraguan contra leaders today said they did not accept the agreement of the Central American presidents who are meeting in El Salvador. The agreement is being termed a "coup de grace" for the contras.

At the Tesoro Beach Hotel, site of the presidential summit, the main leaders of the Nicaraguan Resistance [RN] said that it is "possible" that Guatemala, El Salvador, Honduras, and Costa Rica have agreed to cooperate with Nicaragua to destroy the rebels' armed infrastructure.

In a communique, the contras stated: "Any participation in the process that does not meet the conditions demanded by the domestic civic opposition would entail mere collaboration. This would make the possibility of authentic democratization and the achievement of a firm and lasting peace in Nicaragua even more remote."

The members of the contra directorate, who have been in El Salvador since last weekend, held a news conference after it was unofficially announced that the five Central American presidents agreed on a plan for the "demobilization and relocation" of the 13,000 anti-Sandinists who are in eastern Honduras.

"The RN, as a political-military organization, is the only one that makes decisions regarding its participation in the national dialogue," the rebels warned in a communique read by one of the contra leaders at the Tesoro Beach Hotel.

Roger Guevara of the Nicaraguan Democratic Coordinating Board (CDN) told ACAN-EFE that if the goal is to repatriate defeated contras, "it makes no sense."

"If there is repatriation with freedom to participate in politics, then this is feasible," Guevara said.

The five Central American presidents today agreed to put an end to the contras through the "demobilization and relocation" of their forces in Honduras.

Two weeks ago, the contras asked the presidents of Honduras, Costa Rica, El Salvador, and Guatemala to demand at the Salvadoran summit that Nicaragua become democratized as a condition for their laying down weapons and joining the political struggle in their country.

In a new attempt to gain political support in the rest of Central America, several leaders of the CDN met on Monday with Costa Rican President Oscar Arias and Salvadoran President Jose Napoleon Duarte, and they will meet with Guatemalan President Vinicio Cerezo and Honduran President Jose Azcona Hoyo today.

Summit Termed 'Coup de Grace' for Contras

PA1402221189 Panama City ACAN in Spanish 2102 GMT 14 Feb 89

[Text] Costa del Sol, El Salvador, 14 Feb (ACAN-EFE)—Commander Ricardo Wheelock, director of the Nicaraguan Military Intelligence Directorate, has asserted that the Central American presidents' summit in El Salvador represents a "coup de grace" for the contras.

Wheelock issued statements to the press that emphasized Nicaragua's optimism about the agreements reached by the five presidents on the "demobilization and relocation of the contras."

Presidents Daniel Ortega (Nicaragua), Vinicio Cerezo (Guatemala), Jose Azcona (Honduras), Oscar Arias (Costa Rica), and Jose Napoleon Duarte (El Salvador) will conclude this afternoon the meeting they began on Monday to revive the Esquipulas II peace agreements.

Likewise, contra directorate members who are in El Salvador denied that the proposal had any credibility, and demanded that the Nicaraguan Government release all 8,000 political prisoners.

Wheelock confirmed the existence of an agreement that has been mentioned by official sources in other countries.

The agreement approved by the presidents pledges that they accept, within 90 days, a demobilization and relocation plan for the 13,000 contras who are currently located in Honduras.

In exchange for the agreement, Nicaragua pledged to move up the presidential elections, scheduled for November 1990, to the first quarter of that same year; to reform the electoral code; and to renew the dialogue with the domestic political opposition.

Cuba

Analysis of 'Anti-Castro Campaign' in Venezuela

FL1402232389

[Editorial Report] Havana Tele-Rebelde Network in Spanish at 0200 GMT on 14 February carries a live in-studio discussion during its regularly scheduled "Open Agenda" program on Cuban President Fidel Castro's 2-4 February visit to Caracas, Venezuela to attend the inauguration of President Carlos Andres Perez.

The program host is Miguel Rivero and the panelists are identified by caption as Juan Hernandez, Radio Rebelde correspondent; Soledad Cruz, JUVENTUD REBELDE correspondent; Pedro Martinez Pirez, journalist; Daniel Diaz Torres, correspondent of the Cuban Institute of Cinematographic Arts and Industry; Julio Garcia Luis, president of the Union of Cuban Journalists; and Felix Pita Astudillo, GRANMA correspondent. The program host says all the panelists accompanied Castro to Caracas.

Rivero begins by saying that Cuban television programs which aired last week mentioned the campaign carried out by the Venezuelan press and media to prevent or taint Castro's visit. The Cuban people are not very familiar with this campaign, says Rivero, and this is what the journalists will discuss here tonight.

When asked what the nature of that campaign was and how it was developed, Hernandez holds up a copy of the 1 February issue of the EL MUNDO newspaper and the camera gives a close-up shot of a headline that says "Fidel Castro, The Embarrassment of America!" The camera zooms in on another headline which reads, "Castro...This Is Not Your Home!" "This shows how aggressive and how well-planned this newspaper and TV campaign was, prior to the arrival of the commander in chief," says Hernandez. The journalist adds that the campaign was carried out in the newspapers during Castro's entire visit. He notes that this particular newspaper he brought to the studio had four or five anti-Castro articles. The camera shows another article that highlights five questions which Hernandez calls "laughable." He notes that these articles were paid for and signed by such groups as the "Cuban Patriotic Junta." The same newspaper also published an "open letter" citing Castro's visit as being unjust and offensive, adds Hernandez. The Radio Rebelde correspondent then points out an article that says, "The Venezuelan People Do Not Forget!" which he says tries to blame Castro for a series of violent events that happened in Venezuela.

Rivero and Hernandez both note that the purpose of these articles is to incite the Venezuelan people into seeking revenge or taking action.

In reference to the anti-Castro campaign carried by television, Hernandez says that prior to Castro's arrival, Venezuela's Channel 4, Venevision, was carrying announcements every half hour for a film that was carried at 0500 GMT on 2 February. Hernandez says: "The film was brought in especially for this occasion. It was a counterrevolutionary program filmed by the worms [la gusanera] in the United States. The film tried to create tremendous propaganda on the so-called problems of human rights and prisons in Cuba." The journalist adds that the purpose of this campaign was aggressive, to create an atmosphere of hostility against Castro. It tried to show that Castro was considered to be an undesirable person in the country, he says. The campaign tried to present Castro as a tired, bitter, sick man, adds the journalist. Martinez Pirez notes that the anti-Castro television campaign became known as "venomvision [venenovision]."

Rivero notes that "a substantial change" was later noticed among the Venezuelan people and journalists.

Journalist Pedro Martinez Pirez notes that this "transformation" in attitude was due, in part, to a "strategic error" made by the United States and the counterrevolutionary groups. Martinez Pirez says that they relied so heavily on lies against Cuba and Castro that they underestimated the Venezuelan people. "They lost sight of the historic relations that exist between Cuba and Venezuela," he says. The anti-Castro campaign also backfired because the United States and the counterrevolutionary groups were attacking the invitation Venezuela extended to Castro, which was a sovereign act on the part of the Venezuelan Government, says Martinez Pirez, and this was seen as interfering in the internal affairs of Venezuela.

He also adds that the Venezuelan people and journalists changed their minds about Castro because he is a charismatic man who has ideas that he wants to convey and which people want to hear and he draws a crowd wherever he goes. He becomes the center of events, says Martinez Pirez.

The camera then shows film footage of interviews with several people on the street in Caracas who all state that they had a preconceived idea of Castro which was changed after they heard him speak.

Journalist Soledad Cruz notes that before the Cuban president arrived in Venezuela, the people all called him "Castro." After he spoke in Venezuela, she says, the people all called him "Fidel."

Rivero ends the program by saying that Castro's visit to Caracas was historic and has an importance to Cuba and Latin America that cannot yet be determined.

Vice President Receives Vatican, Swiss Envoys

FL1402032889 Havana Television Service in Spanish 0100 GMT 14 Feb 89

[Text] Carlos Rafael Rodriguez, vice president of the Council of State, has received in a solemn ceremony, the representatives from the Holy See and the Swiss Confederation.

In the afternoon, His Excellency Msgr Faustino Sainz Munoz presented his credentials that accredit him as ambassador extraordinary and plenipotentiary of the Holy See to Cuba. The Vatican diplomat was accompanied by Msgr Cristo Fetiere, first secretary.

Carlos Rafael Rodriguez also received His Excellency Marcus Kaiser, who presented his credentials that accredit him as ambassador extraordinary and plenipotentiary of the Swiss Confederation to Cuba.

Cuban Foreign Minister Isidoro Malmierca Peoli was present at both solemn ceremonies.

After the ceremonies, the ambassadors and their companions laid floral wreaths at the monument of our national hero, Jose Marti.

Meeting Shows Solidarity With Palestinian State

FL1402195689 Havana Tele-Rebelde Network in Spanish 1800 GMT 14 Feb 89

[Text] The brotherhood that exists between Cuba and the Palestinian State was noted at the solidarity meeting of the National Association of Small Farmers, ANAP, with the Palestinian people. The meeting was held at the CPA Crucero Aurora, in Jaruco Municipality, Havana.

The over 100 members of this sugarcane cooperative received a detailed briefing on the history and present condition of Zionist aggression against the brother Arab people from Walid 'Abd al-Rahim, first secretary of the Palestinian States' Embassy.

The path of our struggle is hard, he said, but we are aware that every drop of blood will be a road for the generations that will complete our struggle in the future.

The cooperative members established a good dialogue with the visitors.

[Begin recording] [Unidentified man] How is global solidarity acting toward the Palestinian people?

['Abd al-Rahim] There are 98 countries that have acknowledged the Palestinian State. Every passing day sees another country that acknowledges it. Some are waiting for some reason or another, but 98 countries is an important show of international solidarity. Here, I prefer Cuba's position. Cuba was one of the first countries to acknowledge the Palestinian State. I say here that on 3 February we inaugurated the first embassy of the Palestinian State in Latin America. Cuba represents Latin American solidarity because Cuba and Nicaragua were among the first countries to acknowledge the Palestinian State and the first embassy on the Latin American continent was inaugurated 3 February here in Havana. [applause] [end recording]

Castro Diaz-Balart Receives Soviet Delegation

FL1402191289 Havana Tele-Rebelde Network in Spanish 1800 GMT 14 Feb 89

[Text] Vadim Mikhailovich Malyshev, president of the Soviet Union's State Committee for the Supervision of Atomic Energy Works Safety, is in our country at the invitation of Fidel Castro Diaz-Balart, executive secretary of the Atomic Energy Commission, who was at the Jose Marti International Airport to greet him.

During his stay in Cuba, Malyshev and the delegation that is accompanying him will visit centers of scientific and technical importance and will study, together with the Cuban party, aspects of mutual interest.

Joint Interview

FL1502034189 Havana Radio Rebelde Network in Spanish 0040 GMT 15 Feb 89

[Interview with Vadim Malyshev, chairman of the USSR's State Committee for Safety in the Atomic Power Industry, in Russian with simultaneous Spanish translation, and Fidel Castro Diaz-Balart, executive secretary of the Atomic Energy Commission, by Felix Fernando Garrido, in Spanish with simultaneous Russian translation, during "Exclusivo" program—live]

[Text] [Garrido] Fidel Castro Diaz-Balart is the secretary [title as heard] of the Atomic Energy Commission in our country. He is currently fraternizing with his Soviet counterpart. Castro Diaz-Balart, what do you think of this meeting?

[Castro Diaz-Balart] We think that the visit made by Comrade Malyshev, president of the USSR's State Committee for Safety in the Atomic Power Industry, is especially significant to our country because of the important cooperation we have received from the USSR and because of the work plan we have developed to safely continue the work on nuclear energy so that no problems are presented to the population or the environment.

[Garrido] What progress have you made?

[Castro Diaz-Balart] Important steps were taken in 1988, in 1987 and in 1988 [as received]. A contingent was created that is dedicated to the construction of the first reactor. We have been successful with that work organization and I would say that we have advanced considerably on the timetable for this project, in respect to the aspects that pertain to making the plant operational.

We think that the goals [words indistinct] involved and the organizational and constructive steps taken, allow us to view with optimism the starting up of this important electronuclear center in Cuba.

[Garrido] Esteemed listeners, you have been listening to Fidel Castro Diaz-Balart, secretary of the Cuban Atomic Energy Commission.

I would also like to hear your Soviet counterpart's view. What do you think of this nuclear safety meeting between Cuba and your country?

[Malyshev] The meeting has just begun. We have been cooperating for more than a year and I think that our cooperation has been efficiently maintained, including (?this project) which we are working on here in Cuba. We can tell you that we have seen many interesting things and we have observed the serious attitude that the Cuban workers maintain in developing nuclear energy in Cuba.

This acquires greater importance because our attitude toward the development of nuclear energy is directly related to the security of the work done in this area.

[Garrido] These remarks were made by the Soviet comrade for Radio Rebelde's "Exclusivo" program.

Guinea Foreign Minister Arrives in Havana

FL1302191689 Havana Tele-Rebelde Network in Spanish 1800 GMT 13 Feb 89

[Text] Guinea's foreign minister, Jean Traore, arrived last night at the Jose Marti International Airport.

To greet Traore at the airport were Isidoro Malmierca, Cuban foreign minister, Giraldo Mazola, vice foreign minister, [words indistinct] Silvio Rivera, Cuban ambassador to Guinea, and other PCC and government officials. Also present was (Lamin Songule), Guinea ambassador in our country.

Visitors and hosts exchanged some impressions on the visit and discussed the work schedule planned for their stay.

[Begin Traore recording in French with consecutive Spanish translation] I can say that our main objective is to strengthen the friendship and cooperation relations between Cuba and Guinea, and to bring a message of friendship and brotherhood from the people of Guinea to the people of Cuba. My Cuban counterpart and I will hold some meetings in which we will exchange opinions that will permit us to strengthen, even more, these cooperation relations. [end recording]

Talks With Malmierca

FL1402034389 Havana Television Service in Spanish 0100 GMT 14 Feb 89

[Text] The Foreign Ministers of Guinea and Cuba, Jean Traore and Isidoro Malmierca, respectively, held official talks this morning at the Cuban Foreign Ministry.

The ministers discussed the situation in southern Africa, the foreign debt of Third World countries, and the development of bilateral ties, as well as other topics. The two parties described current relations as satisfactory and expressed the desire to increase these in the future.

Moments later, the foreign ministers greeted the diplomatic corps accredited in Cuba.

In the afternoon, Traore placed a floral wreath at the Jose Marti Monument. This evening, he will visit the Guanabacoa Museum.

The head of the Guinea delegation arrived last night on an official visit. He will be in Cuba until Sunday, 19 February.

Tours Hospital, Polyclinic

FL1502020889 Havana Television Service in Spanish 0100 GMT 14 Feb 89

[Text] Guinea Foreign Minister Jean Traore, who is on an official visit to our country, and his delegation today toured the Miguel Henriquez Hospital and the Lawton teaching polyclinic.

During their visit to those centers, the visitors observed the progress made in medicine. Hospital Director Dr Francisco Rene Caballero gave the history of the old building and he showed them the scale model of the current installation with its expansions and remodeling.

Afterwards, the delegation toured the surgery and recovery rooms, the medical staff's room, some laboratories, and the intensive and intermediate care units.

The delegation paid special attention to the care given to the patients and the cleanliness of the area. They learned the function of high-technology equipment and they spoke briefly with the personnel.

At the end of the visit, the chief of the Guinea delegation signed the visitors book. They immediately proceeded to the Lawton teaching polyclinic [words indistinct].

UNGA To Approve Funding for Verification

FL1402164289 Havana Radio Reloj Network in Spanish 1523 GMT 14 Feb 89

[Text] The UN General Assembly today in New York began its 43d period of sessions during which it will approve the financing for the mission that will verify the withdrawal of Cuban internationalist troops from Angola.

Said verification refers to a sovereign request by Angola and Cuba for the world organization to supervise the retreat to the north and the total withdrawal by stages of the Cuban internationalist troops from Angolan territory.

The United Nations' mission, known by the acronym UNAVEM, is composed of 70 military observers, 26 international officials, and 2 local contract workers. According to sources from the United Nations, the expenses for the mission are estimated to be around 20 million dollars.

The UN General Assembly will also examine several topics related to international development and economic cooperation.

Trade Ministers' Meeting Begins in Havana

FL1402192789 Havana Tele-Rebelde Network in Spanish 1800 GMT 14 Feb 89

[Text] The first meeting of the Ministers of Domestic Trade of socialist countries began today in Havana's Palace of Conventions.

In the opening session, Antonio Esquivel Yedra, vice president of the Council of Ministers, upon giving the opening speech referred to the contributions this meeting has made in the areas of a more extensive interchange, understanding our realities, and the socialist integration of our economies.

During this meeting, which will end Saturday, 18 February with the signing of a protocol, the ministers will discuss matters related to the present restructuring of commercial activities, as well as the present state of scientific and technical cooperation between the ministries of domestic trade of the member countries.

Manuel Vila Sosa, Cuban minister of domestic trade, also gave a special speech.

[Begin Vila recording] To us, raising the standard of living is a cardinal work objective which we will not limit to the increase of consumer goods. It has a wider and more profound significance to us. Some indicators show this, and we will work to progressively guarantee that social goods such as health, education, housing, sports, culture, and recreation correspond to a modern socialist society. [applause] [end recording]

Construction Ministry Studies Plans for 1989

FL1402161689 Havana Radio Reloj Network in Spanish 1508 GMT 14 Feb 89

[Text] The annual meeting of the Ministry of Construction [MICONS] has analyzed, among other topics, matters related to work organization and better use of human resources.

These aspects, elevating productivity and achieving adequate control of the work and salary indicators, are fundamental to guarantee the expected production levels for the present work period.

According to today's edition of the newspaper TRABAJADORES, the construction brigades are the main cells of the productive organization in the construction sector. Paradoxically, there is an appreciation toward the workers' indiscriminate movement between works in the same collective, and even among brigades. [sentence as heard]

The MICONS' annual assembly has decided to put a limit on that tendency and to reduce to an acceptable level, the workers' movements to better control and organize human resources.

The prioritized attention to the brigades, the increased stability of the laboral entities, and the consolidation of their relative independence are the basic aspects that have to be guaranteed if we plan to achieve the objectives we have proposed. This was stated by Homero Crabb, construction minister, [name and title as received] while pointing out the principal directives of the MICONS for the present year, says the newspaper TRABAJADORES.

The goal is that, like mobile factories, the brigades be self-sufficient to the highest level possible regarding equipment. The MICONS would also like the brigades to include all specialties including [words indistinct].

For the present year, the MICONS plans to increase construction, not including commercial works, by 14 percent more than what was achieved in 1988. The ministry is especially interested in increasing work production by 17 percent.

Men Detained in Camaguey for Robbery

FL1302131589 Havana Radio Progreso Network in Spanish 1200 GMT 13 Feb 89

[Police report from the general directorate of the National Revolutionary Police, PNR, entitled, "The Fight Against Crime," during "Progreso" newscast]

[Text] Members of the Camaguey PNR detained citizens (Ramon Cervantes Murgas) and Raul Leon Alonso, who were custodians of the recreation center "La Taverna" in the province's capital. They were detained for robbery.

Both men took more than 1,850 pesos which was the result of a day's work in the recreation center. They entered the warehouse forcefully by breaking one of the boards on the door.

After being taken to the corresponding police station, and mutually incriminating themselves, they said they chose Monday morning for the crime because they wanted to take the proceeds from Saturday and Sunday, the days in which most of the sales are made. However, they were only able to take the money that was made on Saturday.

Afterward, the agents found most of the stolen money hidden in a house in Sibanicu Municipality, Camaguey Province.

For now the accused are in a provisional prison until they are brought before the tribunal that will judge and sanction them for violating the existing laws.

Revolutionary Police Detain Man for Robbery
FL1402125589 Havana Radio Progreso Network in Spanish 1200 GMT 14 Feb 89

[Police report from the general directorate of the National Revolutionary Police, PNR, entitled, "The Fight Against Crime," during "Progreso" newscast]

[Text] Agents of the PNR's 6th Municipal Unit in Marianao searched the home of citizen (Rogelio Cespedes Salas) which is located on [name indistinct] avenue, between 98th and 100th Streets, Mariano Municipality.

In (Cespedes') home, the agents found materials to make shoes, a video cassette, a recorder, and other items of dubious origin. According to the police investigations, it was discovered that the appliances found in the house of the accused come from two robberies in San Miguel del Padron and Plaza la Revolucion, Havana.

The PNR say that the detained will remain in a provisional prison until the investigations are over and he is placed at the disposal of the tribunal that will be in charge of the trial, as well as imposing the adequate sanction.

5 Citizens Fail in Train Robbery Attempt
FL1502025189 Havana Television Service in Spanish 0100 GMT 15 Feb 89

[Excerpts] With the opportune cooperation of a group of highway and public works laborers, and the action of railroad police units and the provincial police training unit in Camaguey, the guilt of five citizens was determined in a strong-arm robbery that involved merchandise valued at 15,000 pesos.

The authors of this action belonged to the crew of the 5811 cargo train that ran between the industrial city and the capital of Camaguey. Upon learning from the timetable that one car carried textiles from the CSSR, the citizens decided to take the material. [passage omitted]

Personal ambitions, the desire for profit, immaturity, and a false idea of manliness attributed to the [words indistinct] contrasting with the values of our society which motivated these citizens to commit this crime, as well as others, against the national economy.

Having proven their guilt, they will be placed at the disposition of the revolutionary tribunals.

Further on Cuban Vice President's Comments
PA1202185789 Madrid EFE in Spanish 0417 GMT 12 Feb 89

[Text] Mexico City, 11 Feb (EFE)—Cuban Vice President Carlos Rafael Rodriguez has said Cuban President Fidel Castro's visits to Ecuador, Mexico, and Venezuela in less than 1 year have ended 30 years of Cuba's isolation from Latin America, it was reported today.

At the end of a short working visit to Mexico yesterday, Rodriguez said Mexico "should not isolate itself from the rest of Latin America because it plays a leading role in finding solutions to the continent's problems," the Mexican daily LA JORNADA reported today.

According to LA JORNADA, Rodriguez said Castro's meetings with some Central American presidents will help create a climate of detente for the upcoming summit of Central American presidents.

Rodriguez said Nicaragua's attitude of openness and its acceptance of political and economic pluralism enhance the possibility of reaching an agreement at the upcoming summit.

Within that context, Rodriguez praised Mexico's participation in the Contadora Group and the Group of Eight. He added that Mexico is helping to bring a negotiated peace to Central America.

Rodriguez met with Mexican President Carlos Salinas de Gortari at the Los Pinos official residence on 9 February; however, the matters the two men discussed have not been disclosed.

Following his meeting with Salinas de Gortari and before leaving the country, Rodriguez stressed that Mexico has a leading position in the continent and therefore cannot ignore its historic role in Latin America.

Rodriguez' visit to Mexico took place in great secrecy, to the point that neither his arrival nor his activities in Mexico were reported.

Negroponte Appointment as Ambassador Examined
PA1302195489 Mexico City EL NACIONAL in Spanish 7 Feb 89 pp 1,9

[Article by Jose Carreno Figueras: "The Appointment of Negroponte Is Not Necessarily Bad"]

[Text] The appointment of John Dimitri Negroponte as U.S. ambassador to Mexico has been viewed as something fearsome, but his appointment should be seen from the point of view of the United States and its interests. Looking at it this way, there could be no better appointment, even from the Mexican point of view.

Great-power diplomacy is based on great-power interests and not on moral principles. Judging from the record attributed to Negroponte, he and other great-power diplomats would have no job if principles were to rule, but if interests are what rule great-power foreign policy, then they do have a job to perform.

Negroponte is one of the most polemical U.S. diplomats, but both his critics and his supporters describe him as one of the most effective.

The U.S. ambassador-designate to Mexico is viewed as a soldier of U.S. diplomacy, and it should be pointed out that if he participated in the creation of the contras and in the militarization of Honduras, to point to only two of his "deeds," he did so on orders from his government and to implement a particular policy.

With him, no one can fool himself or fabricate false illusions: His performance in Mexico will be a manifestation of the true U.S. policy for Mexico.

Negroponte works for his country's interests, and his country is not interested now in a destabilized or economically and politically weakened Mexico.

Although it is true that it will not be encouraging to receive here a diplomat with Negroponte's dubious and murky background, it is also true that the access and confidence given to him by President George Bush must also be taken into consideration. Given that Mexico is important to U.S. national security, according to Washington, we must try to find advantages in his appointment. Very few could become as good an ally as Negroponte—a reluctant ally, but still an ally.

Like many of his compatriots, Negroponte is convinced the U.S. system is the best. However, to maintain that system, the United States needs an economically stable and politically strong neighbor. The first condition requires finding a solution for the foreign debt problem; growing political pluralism is absolutely necessary for the second. Both conditions are complementary, and therefore necessary for Mexico. Since U.S. interests are best preserved in a strong and prosperous Mexico, as President Bush himself has said, the United States has no other option than to accept the changes already under way within the Mexican system. This does not mean the United States likes those changes, but it suits its interests, and the Bush administration seems to be characterized by its pragmatism.

Negroponte faithfully complied with the instructions he received from a government blinded by apocalyptic, ideological visions. In the same manner, he could faithfully follow instructions from a government interested in cleaning and repairing the broken plates left by its

predecessors. His own government is the first one interested. According to U.S. analysts, destabilizing or weakening Mexico would force the United States to review its role as a world power. Both the Bush administration and Negroponte are aware of that.

Although it is true that a serious crisis in Mexico would not make the United States fall, the United States would have to isolate itself, which would be against U.S. interests.

Therefore, contrary to what many people think, Negroponte's appointment is not necessarily bad. If what is said about him is true, his own notoriety works against him and in favor of Mexico's interests. In fact, the only surprise would be if he used his many talents to improve relations, which seems to be Bush's intentions. It would be worse to discover his characteristics by ourselves, as was the case of shame-faced John Gollenor Pablos, unhappily known as John Gavin.

Pemex Officials Meet Japanese Industrialists

PA1202143889 Mexico City THE NEWS in English 6 Feb 89 p 35

[From the unattributed "National Financial Focus" column]

[Text] The participation of Japanese businesses in the export of Mexican petrochemicals was one of the subjects discussed last week at a meeting between Petroleos Mexicanos (Pemex) officials and Japanese industry representatives, Pemex said Sunday. Also discussed was the creation of a study of possible joint technological projects. The Japanese delegation, headed by Hisao Kondo, president of Mitsui and Company U.S.A., met with Pemex director-general Francisco Rojas. The visit aimed to strengthen commercial relations between the two countries, Pemex said. Through such relations the Japanese hope to work with Mexican businesses to develop joint investment projects. The two delegations also considered the possibility of joint investment in foreign refineries. This would give them greater access to foreign markets and distribution networks.

Growth To Be Key Element in Debt Negotiation

PA1402190589 Mexico City EL NACIONAL in Spanish 7 Feb 89 p 3

[Editorial: "Debt: The First Stage"]

[Text] With the trip that the finance secretary made to the U.S. capital yesterday, Mexico has begun a period of negotiations with its creditors which will benefit our country. The basic principles that must underlie these negotiations are the necessity for our country's growth and the need to change many aspects concerning servicing the debt, because our government puts the people's interests first.

It is wishful thinking to expect that conditions, terms, interest rates, and so on will be determined at this first meeting. Creditors will now be able to see more clearly what our objectives are. They will certainly be told that we will try to control the net transfer of financial resources outside the country, reduce the current debt, guarantee new resources to eliminate future uncertainty due to annual negotiations without specific goals, and reduce the debt's impact on the gross national product.

Creditors cannot continue to receive large sums of money if this results in the stagnation of the country's economy and damage to the Mexican people's welfare. However, to achieve this, efforts must be made to convince creditors before they make rash decisions that could jeopardize our goals.

The renegotiation will take some time. The country has played its most valuable cards; we have yet to see the creditors' deck of cards. The Mexican officials' trip will also help achieve this, although the agenda reveals that more time apparently will be spent in meetings with U.S. Government representatives. The meetings will certainly be a starting point, but no final decisions are expected from either side.

We must stay calm. It will take several months for key decisions to be made, assuming that everything proceeds normally. However, the country's needs are obvious and creditors must understand that we cannot continue to sacrifice growth.

Bank of Mexico's Foreign Reserves Drop

PA1302033189 Mexico City UNOMASUNO in Spanish 6 Feb 89 pp 1,18

[Summary] According to the Private Sector Center for Economic Studies, CEESP, the Bank of Mexico's international reserves have decreased to between $7 and $8 billion, mostly because of the private sector's ahead-of-schedule foreign debt amortization on the secondary market, in which the debt is priced at between 40 and 50 percent of its nominal value. This enabled Mexican businessmen to lower their foreign debt from $25 billion in 1982 to the current figure of $8 billion. The organization also said other causes of the decrease in reserves is capital flight, reduced income from oil exports, and the fast growth of imports.

Non-Energy Exports Increase in 1988

PA1202141289 Mexico City THE NEWS in English 6 Feb 89 p 35

[From the unattributed "National Financial Focus" column]

[Text] Exports of non-energy products from the nation's parastatal sector in 1988 exceeded expectations by 12 percent, the Energy Secretariat (SEMIP) reported Sunday. Exports of non-energy proucts in 1988 were 1.171

billion dollars, 127 million dollars more than the projected 1.044 billion dollars. The positive balance was the result of modernization and structural changes initiated by SEMIP, said a press release from the secretariat. Modernization efforts within the non-energy parastatal sector have paid off, taking it from a 600-million dollar deficit in 1982 to a surplus of more than 400 million dollars in 1988. With the growth of non-energy exports, Mexico's parastatal sector has become a generator of hard currency, which is vital for the financing of imports, SEMIP said.

Cardenas on New Party, Government Plans

PA1202124989 Mexico City UNOMASUNO in Spanish 5 Feb 89 p 6

[Report by Raul Correa E.]

[Text] Mexican political leader Cuauhtemoc Cardenas yesterday proposed to all political parties a public pact based on simple and basic rules on which all parties can agree to respect and jointly control the voting process in any future election, regardless of the attitude adopted by the authorities and the applicable electoral law. Similarly, Cardenas reported that the Party of the Democratic Revolution (PRD), in formation, already has the number of members established by the law to be legally registered.

Cardenas said his proposal can be put into practice without having to wait for the results of the consultations on electoral amendments. Cardenas stressed that the persistence of electoral frauds is very dangerous for the country's stability and citizens' safety and he cited the incidents in Xoxocotla, Morelos State.

At the opening of the first PRD national assembly, in which the PRD basic documents will be discussed, Cardenas Solorzano stressed there cannot be modernization or stability as long as the tenacious attacks on all workers' wages and income persist. Similarly, Cardenas said he opposes the application of the 2-percent tax on business assets, "because it is a new blow" on the productive activity of the small and medium enterprises, which have been harassed by the government for the last 7 years.

Cardenas also proposed three points for renegotiation of the foreign debt, which should have a national consensus:

1. A policy of economic reactivation implemented through the revaluation of wages and preferential prices for rural producers to attain a sustained reactivation of the local market.

2. A reduction of public expenditure through the eradication of corruption in parastate enterprises and the administration in general; a reduction of useless entertainment allowances and of resources used for government political propaganda and for supporting the government party and its corruption.

3. An increase of government control and an increase of taxes on financial and speculative capital, from which resources to support other sectors should come.

Cardenas said renegotiation of the debt could publicly begin on those bases. The new terms of payment must help economic growth, improve Mexicans' well-being, and help Mexico meet its foreign financial obligations.

However, Cardenas said that, regarding the foreign debt, the current government is following the policy of the "never-ending story," because the current administration will add $42 billion to the Mexican foreign debt. "In the short or long term, the effects of the debt increase will stop development and will create larger dependency—if a larger one is possible in our case."

Cuauhtemoc Cardenas said Salinas de Gortari's team, which lacks the legitimacy the people's vote grants, is formed by members of a confused party in crisis. He said those members are using power to continue a program of economic restructuring and dependent insertion into the international market, the effects of which are disastrous for most Mexicans and for the country's future.

Cardenas is also worried because the government's party crisis and the government policy's contradictions may cause more damage to Pemex than that caused by previous corrupted and inefficient administrations. He said one of the current national goals should be to rescue Pemex as a state enterprise to contribute to the country's independent development.

The PRD leader said the government's objective when it penalized the former national Pemex labor union leaders was not to moralize and democratize the labor organizations, but to eliminate obstacles to the neoliberal plan for Pemex.

Similarly, Cardenas said it is worrisome to see how the federal government used soldiers to solve a conflict among regime factions, thus distorting the Army's functions. "One insults soldiers when one orders them to intervene in disputes and fights among power groups," Cardenas said referring to the arrest of Pemex union leader La Quina.

Cardenas stated that the government has launched "a propaganda campaign for criticizing its opponents, uselessly squandering public funds because no one believes it any more." He demanded that those directly and indirectly involved in the assassinations and crimes against social leaders in Chiapas, Chihuahua, Michoacan, Oaxaca, Morelos, Veracruz, and Guerrero—where missing people have also been reported—be punished.

Referring to the PRD, Cuauhtemoc Cardenas said it is responsible for encouraging the people's mobilization, organizing structures and cadres, and developing the necessary communication and coordination networks.

He said that following the elections, many citizens demanded a new organization that would give them the opportunity to be part of a group, allow those who were not party members to participate in partisan activities, and maintain the unity of citizens and groups that had various positions, including members of parties that decided to join the project.

Cardenas explained that the new political organization guarantees pluralism and added that the construction of a new party does not allow for timid attitudes, fears, or sectarianisms, large or small. He asked the members of the group to objectively review what the adversary does and see what is more convenient for that adversary, to avoid playing the adversary's game or serving the adversary's interests.

He added that the discussion of basic documents—platform, declaration of principles, and statutes—will take approximately 3 months. Afterwards, approximately by mid-April, the PRD will be able to hold a national convention.

Cardenas indicated they had discussions even with Mexican Socialist Party [PMS] members and agreed it was not necessary to use the party's registration, nor to file an application for changing PMS' name to PRD. He said that they will start from the bottom up, organizing committees, holding assemblies according to the law, and submitting an application to register the party. This will give strength to the party and allow the PRD to grow and better organize, besides becoming legitimate in its own eyes and in the eyes of the entire nation. Cardenas added that the PRD will participate in elections primarily as a coalition with the National Democratic Front [FDN] groups or with those that agree to do so.

The FDN organizations "are clearly aware that we must respect our differences and step up the emphasis on our similarities, trying to increase them, if we want the FDN to attain its goals," Cardenas concluded.

Police Seize 5 Tons of Marijuana; 18 Arrested

PA1202140289 Mexico City XHTV Television in Spanish 0200 GMT 11 Feb 89

[Summary] Jalisco Federal Judicial Police units have seized 5 tons of marijuana that were going to be smuggled by railroad to Mexico's northern border. The policemen found almost 3 tons of marijuana inside two railroad cars of a Guadalajara-Nogales freight train, which was parked in a railroad yard.

The remaining 2 tons of marijuana were seized from two residences. The police have arrested 18 people on drug trafficking charges and have seized five vehicles and several high-caliber weapons from two of the people arrested.

64 Metric Tons of Marijuana Seized in 1 Month

PA1302121589 Mexico City EL NACIONAL in Spanish 7 Feb 89 p 7

[Summary] The Mexican Attorney General's Office has reported that the Federal Judicial Police has seized more than 64.3 metric tons of marijuana, 365 kg of cocaine, 290 surface vehicles, 5 aircraft, and 230 firearms, and detained 1,075 presumed drug traffickers between 31 December 1988 and 31 January 1989. In addition, the police razed 4,269 plots planted with poppy and 1,573 planted with marijuana. It has also been reported that during the same period, the Navy Secretariat destroyed more than 165,000 marijuana plants in the states of Sinaloa, Oaxaca, and Guerrero, incinerated 7.5 metric tons of the same plant, and detained 24 drug traffickers.

El Salvador

FMLN's 'Warm, Revolutionary' Welcome to Ortega

PA1402172189 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 Feb 89

[Text] Just as we began this Radio Venceremos newscast at 1800 on Sunday, Nicaraguan President Daniel Ortega was arriving in this country. On behalf of all FMLN fighters, all the way from heroic and rebel Morazan Department, we want to welcome him to our fatherland, to our territory. We give our warm, revolutionary welcome to Daniel Ortega.

Venceremos Summarizes FMLN Military Actions

PA1402161789

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 13 February broadcasts approximately 15 minutes of military reports summarizing recent FMLN actions.

The first report summarizes results of clashes that have occurred over the past week, announcing: "The FMLN inflicted 87 casualties on the puppet army, including 41 on the Belloso and Bracamonte Battalions in Tehuacapa Hill." The reports adds: "Acts of sabotage have resulted in the destruction of 42 power poles."

The next report covers sabotage carried out by urban guerrillas, including the destruction of four buses and an attack on the residence of an Armed Forces officer in San Salvador.

A report received from urban commandos in San Salvador recounts an ambush that took place at 1900 on 10 February involving a truck transporting policemen, during which four "enemies" were wounded. Several other acts of sabotage carried out by urban guerrillas in San Salvador are mentioned, including the distribution of propaganda in various neighborhoods, the erection of barricades, and the sabotage of an electrical system.

The station reports: "On 11 February, guerrilla units occupied a stretch of road from Ilobasco to Sensuntepeque in Cabanas Department, erecting a barricade and planting mines, actions that resulted in 12 enemy casualties."

Another report adds that on 12 February, "FMLN guerrillas inflicted two casualties on the Lempa Battalion in Usulutan Department using RPG-7's." The report continues: "Also on 12 February, guerrilla units used rifle fire to attack Atlacatl Battalion troops in San Francisco Morazan, inflicting one casualty against the enemy."

The last report summarizes the intensive sabotage carried out against the electrical system, including a 30-minute attack with RPG-7's against a power substation in Nejapa, San Salvador, and the destruction of several power poles and the distribution of propaganda in La Paz, Cabanas, and San Vicente Departments. The report states: "The FMLN has destroyed more than 50 electricity towers, power poles, and transformers over the past few hours, seriously damaging the Duarte regime's war economy."

Nicaragua

Ortega Comments on Summit Agreement, Contras

PA1502020689 Paris AFP in Spanish 0144 GMT 15 Feb 89

[Text] Managua, 14 Feb (AFP)—Nicaraguan President Daniel Ortega said today upon his arrival in Managua that during their summit in El Salvador, the Central American presidents delivered the "coup de grace" to the wars that ravage the region.

"This is a victory for the Nicaraguan people, and I feel proud to have represented them on this historic occasion for all the Central American people," a deeply moved Ortega added.

The Sandinist leader announced that he will hold a news conference in the near future to give details of the "historic agreement" signed today by the five Central American presidents in El Salvador.

"It is today, 14 February, Valentine's Day, that we who are in love with peace, have achieved such a resounding victory," Ortega stated to reporters.

Likewise, Foreign Minister Miguel D'Escoto said the summit's results represent "a very important step toward achieving peace and tranquillity for the Central American people."

CDN Communique Gives Position on Summit, Ortega

PA1402193589 Managua LA PRENSA in Spanish 10 Feb 89 pp 1, 12

[Text] The Nicaraguan Democratic Coordinating Board [CDN] presented a communique at a news conference today which states its position regarding Nicaraguan problems on the occasion of the Central American presidential summit to be held on 13-14 February in El Salvador.

CDN Executive Secretary Roger Guevara Mena read the communique, which states that President Daniel Ortega is avoiding a national dialogue and instead is "distorting" the facts.

Ortega's bilateral meetings with political parties have clearly demonstrated that he has no intention of complying with Esquipulas II or with the revolution's original goals.

Guevera said that by signing the Esquipulas Agreements on 7 August 1987, the government had committed itself to "conducting a dialogue with all unarmed domestic opposition groups" to ensure popular participation.

The communique characterizes the dialogue that was called and broken off last year by the government as "an FSLN propaganda stunt which reveals the FSLN's intransigence, its total rejection of demands for constitutional amendments, and its intent to distort the true aims of the dialogue and to block results favorable to the people."

The CDN communique adds that problems can be solved "by holding a national referendum that would enable the people to directly sanction with their votes the constitutional amendments proposed by the CDN."

The CDN also recalls that Ortega committed himself to granting a general and immediate amnesty, not the partial amnesty he has offered in talks with opposition parties, during which he has said that the amnesty will only benefit former national guards.

The CDN again reported that the government continues to prevent the operation of the National Reconciliation Commission and has withheld the authorization for the reopening of a television station requested over 1 year ago. The CDN also pointed out that several radio newscasts remain suspended.

The communique recalls that the Esquipulas agreements state that for elections to be held, it is necessary to guarantee a climate of democracy and freedom. It adds, however, that the Sandinist government has made no move to amend the Electoral Law.

Present at the news conference were Carlos Huembes Trejos and Ramiro Gurdian, CDN president and vice president, respectively; Social Christian leaders Adan Fletes Valle and Armando Zambrana; Edmundo Castillo of the Nicaraguan Conservative Party; and Eduardo Rivas Gasteazoro.

Political parties from the Group of Fourteen will meet this afternoon. The meeting is expected to end with a communique regarding the presidential summit.

Great activity has been observed within the Nicaraguan political opposition regarding the presidential summit to be held in San Salvador, where several Nicaraguan opposition leaders are expected to arrive.

Social Christian Party President Agustin Jarquin traveled to San Salvador yesterday at the invitation of El Salvador's Christian Democratic President Jose Napoleon Duarte.

600 'Political Prisoners' on Hunger Strike

PA1402155089 Panama City ACAN in Spanish 1623 GMT 13 Feb 89

[Text] Tegucigalpa, 13 Feb (ACAN-EFE)—Some 600 political prisoners of Managua's Modelo Prison began a hunger strike of indefinite duration 1 week ago, contra spokesman Alejandro Acevedo announced today.

The spokesman said that prisoners in wings three, four, and six of the Modelo Prison sent a letter to the Nicaraguan Resistance (RN) announcing the strike and their demands.

The letter was smuggled out of Managua by a recently released prisoner whose name was not disclosed "for security reasons," Acevedo said.

Acevedo, speaking from Miami, told ACAN-EFE that the strikers are members of the former Somozist National Guard and the RN, and that the 22 January Committee of Mothers of Political Prisoners has expressed solidarity with the prisoners.

He added that many prisoners participating in the hunger strike have been transferred to another wing known as "Punishment Ten," and that others have been sent from the Modelo Prison to El Chipote Prison in Managua with the intent of undermining the strike.

Acevedo added that some of the striking prisoners are ill with tuberculosis and pneumonia and are being denied medical attention. Among these is Dr Mauricio Altamirano, whose case of pneumonia is very serious.

Finance Minister on Canal Construction Plans

PA1402144689 Managua BARRICADA in Spanish 11 Feb 89 pp 1, 5

[Text] It was officially announced yesterday that the Nicaraguan Government has contacted a group of Japanese businessmen and scientists to discuss the feasibility of building an interoceanic canal through our territory.

Finance Minister William Hupper, who has been appointed chairman of the National Commission to Study the Construction of the Canal, held a news conference yesterday at the Foreign Ministry.

Everyone knows that the project dates back to the time when Nicaragua was a Spanish colony; Englishmen tried to build it; it cost Jose Santos Zelaya his government; the United States imposed an onerous treaty on Nicaragua because of this project; and it became Sandino's dream....

The National Commission to Study the Construction of the Canal is staffed by Vice Foreign Minister Jose Leon Talavera, INETER [Nicaraguan Institute for Territorial

Studies] Director Alejandro Rodriguez, DIRENA [Natural Resources Directorate] Director Jairo Rodriguez, CORFOP [People's Forestry Corporation] Director Luis Fiallos, and UNI [Nicaraguan University] Rector Edgard Herrera.

The commission also includes Carlos Arguello, Nicaraguan ambassador to the Netherlands; Juan Montiel, president of the Association of Biologists; Roberto Lacayo, president of the Architects and Engineers' Association; Salvador Montenegro, director of water resources at the National University of Nicaragua; and Augusto Zamora, Foreign Ministry legal adviser.

"We are studying the possibility of conducting feasibility studies," Hupper said. He added that a Japanese delegation will visit Nicaragua during the 1st week of March.

Hupper, in response to anxious questions from journalists, said: "This is the first explanation of a very complex issue."

He explained that it is still impossible to determine the legal, financial, geological, and ecological ramifications of such an ambitious project.

The official announcement states that the Central American peace process is making definite progress and that therefore "the Nicaraguan Government believes it is appropriate at this time to reclaim the Nicaraguan people's historical dream, to encourage the international community to participate in studies on the feasibility of building an interoceanic canal through Nicaraguan territory in the interests of the country's development and progress for Central America, Latin America, and the world."

Commission President William Hupper said that Nicaragua has not promised cooperation with any country in particular because it is considering all governments, corporations, and scientists interested in the canal's construction.

Hupper emphasized that several organizations, scientists, and international corporations regard building a new canal as a necessity in light of increasing maritime trade and the increasing interrelatedness of the world economy.

The communique states: "The Nicaraguan Government is willing to broaden ties of friendship and cooperation with all nations willing to participate in such a magnificent endeavor. Nicaragua therefore welcomes the cooperation of any government, organization, corporation, or scientist interested in building a canal through our territory."

Hupper revealed that contacts with Japan have been established through Japan's Macro-Engineering Academy's president, who is also president of the International Macro-Engineering Academy.

The finance minister also gave assurances that the construction of a canal through Nicaragua will not harm Panamanian interests, explaining that it would simply accelerate international trade activities.

Panama

Solis Palma Addresses Workers, Calls for Unity

PA1402223989 Panama City Domestic Service in Spanish 1645 GMT 14 Feb 89

[Speech by minister in charge of the Presidency, Manuel Solis Palma, at a ceremony to commemorate the 15th anniversary of the Union of Workers of the National Institute of Telecommunications, SITINTEL, on 13 February; place not given—recorded]

[Text] After the statements delivered by our friend [labor leader Jose Manuel] Meneses, by the manager [of the National Institute of Telecommunications] Luis Blanco, and our great friend Mauro Murillo [SITINTEL secretary general], who have delved into what INTEL [National Institute of Telecommunications] is and what we want at this time to save the fatherland, there is very little left to say. However, there is something that only I can express, and that is the profound feeling of love and appreciation I have for the people of INTEL, for this institution, for what they mean for the benefit of the fatherland, and for the progress of the Panamanian nation.

I believe it is advisable to stress or reiterate what has been said here, and that is the commitment of all Panamanians at this significant hour for the fatherland. We have the great responsibility of maintaining ourselves as a nation, or else we will become a colony. We have elections coming up soon, and these are not just any elections. They are very particular, very special elections, in which not just the interests of a candidate are at stake; rather, the country, the Panamanian fatherland, is at stake. That is how we must consider the elections. We must follow that path, very certain of what must be done, of what should be the future of the Panamanian nation.

We should confront the elections without any fear, with the most profound conviction that we are making history and that we are going to be able to say we have achieved victory through unity.

Meneses referred to something about which I would like to express my agreement. Many in the government have been waiting for changes and solutions to Panamanian problems based on the departure of Reagan and the inauguration of Bush—on a possible improvement of our bilateral relations. At no time have I made a single statement in which I have voiced any hopes that Panamanian problems might be solved through any understanding or arrangement with the United States. I am convinced that this is not the path we must follow. This has been a year of sacrifice, of profound sacrifice, and we cannot discard that year of sacrifice by surrendering

ourselves once again to the United States so it can continue to trample on us and undermine our dignity as free, sovereign, and independent people. [applause]

We cannot be like the man who steals from another man, then takes him to live in his home, kicks him out, and then when the man starts to have problems he asks the man, whose property he stole in the first place, to come back. There are two paths to follow: either he returns and continues to be offended, or he stays outside and looks for his own destiny—that is the fate of the Panamanian people. We stay outside, looking for our destiny. If the United States wants friendship someday, they can have that, but based on respect for us, our fatherland, our destiny, our own decisions, and our liberation as a free, sovereign, and independent people. That is the only alternative we have, and we must continue to pursue it.

I have always stated this. I have never harbored any other hopes. Furthermore, I am very afraid that one day the United States will say: This is all over, here is the money. Then we might think we have already solved the problem and give up the struggle. We cannot abandon the struggle, because we will always be subjected to the interests and whims of a people, that is, of a government that has vested interests that are different from the interests of the people and government of Panama. Those interests will not be solved by merely returning what they are withholding from us.

We have been the victims of the worst abuse; not only has money been withheld that belongs to the government and the Panamanian people, to the Panamanian state but the U.S. ambassador does not recognize this government. He recognizes a nonexistent government that uses the territory that is managed, controlled, and ruled by the current government. He is still traveling around Panama and we can do nothing, because he represents the enormous power called the United States, and we do not wish to give the United States any pretext to invade us. However, this gentleman should be in jail instead of traveling around Panama. [applause]

Once again, I wish to publicly recognize SITINTEL, its leaders and all its members, because, at any given time, they have displayed a nationalistic spirit. They have made greater sacrifices than other public agencies.

They embraced the contingency plan that, as Mauro Murillo so well described, represented savings and greater productivity. INTEL was the only state institution that spent less and produced more and helped us to continue paying salaries without cutting them, as had been proposed to me on many occasions.

I want to say this not on behalf of the government, but to recognize you. You made sacrifices, and we recognize those sacrifices; we recognize your work; we recognize your profound nationalism, and because of this, I feel obliged to say things that we have pondered, discarded, and postponed—things that are often not understood.

More than a few top government officials proposed to cut salaries and lay off 15,000 or 20,000 government employees because there was no money. We could not solve the problem of how to pay the government payroll once government revenues dropped by 57 percent. How were we to pay a payroll that was more than the government was receiving? It was impossible, mathematically speaking. But it could be understood from the revolutionary view of the Panamanian struggle. We could not sacrifice the public employees who had remained loyal, honest, sincere, and steadfast supporters of the government. How could we repay those who have always supported this nationalist struggle by cutting their salaries and laying them off? [applause]

Suggestions called for cutting 12 percent here, 20 percent there, affecting 300 people there, followed by this and that and so on until we saved $103 million, but this was only on paper. What would be the consequences of these savings? This situation started in November and continued through December, January, and February. And we have not yet made any salary adjustments. It is a conscious delay on my part. I have always said that as long as I am in charge of the Presidency, I will not authorize any salary cuts or mass dismissals. [applause] I cannot authorize cuts or dismissals because we have spoken of shared sacrifice. To this I would add proportional sacrifice. But we cannot base the state's economy on the salaries of public employees or the number of government officials. Some of these employees hold sinecures. But there two kinds of sinecures. One type is an employee who was hired as a personal, political favor. The other type is an employee who does not work because he is not assigned to a job. His boss, not the employee, is responsible for this kind of sinecure. This happens all the time. [applause]

Gentlemen, I do not know how it can be said there are any sinecures in the Public Works Ministry. Streets are full of potholes and many necessary roads have not been built. There are so many things to do. So give these men something to work on. Our city needs to be cleaned. And yet these officials keep saying: Give us more money so we can work. We have always followed the U.S. model, which requires large power shovels, tractors, and other large pieces of equipment. If we do not have these, we cannot work. I once jokingly told the public works minister: You have so many shovels. So why do you not fill any potholes? [applause]

This is a problem of initiative and creativity. We are facing a crisis. All of us can contribute to its solution by using our initiative. Only a few sectors have worked beyond their normal limits. We hope all sectors can do as INTEL has done. It is true that more modern telephone exchanges have opened and that telephone service continues to expand. According to this year's budget, the necessary payments will be made and INTEL will contribute more to the state treasury than it did before the crisis. This is due to two fundamental factors. INTEL has two high-caliber leaders in Luis Blanco and his

assistant. Also, INTEL's labor union is composed of progressive, respons.ble, and serious leaders and the union's rank and file understands the problem of nationalism. [applause]

Some one told me the other day that in the coming political campaign we have to sell nationalism and hope for the Panamanian people. It is true that nationalism is not everything [2-second break in reception] it is very fair. Omar Torrijos' nationalism has meant untold advantages for the country. Instead of the $1.5 or $1.9 million we received from the Panama Canal, we should now receive between $7 and $8 million a month. This is the practical result of nationalism. The situation has improved because the Panamanian Power and Light Company was nationalized. No private corporation would have installed telephones where it was not profitable, because private enterprise is based on profit. Private corporations simply do not install only 20 or 30 telephones. The number has to be larger if a profit is to be made. This attitude says that these people have no right to live and communicate with others, that they are not Panamanians. But a well-led state corporation can certainly do this.

What would have become of Panama in this crisis if the Panamanian Power and Light Company had been managing power and telephones? We would have been strangled. We would have succumbed. We are still alive today because INTEL and the Institute of Hydraulic Resources and Electrification are not in the hands of the enemies of Panama, such as the United States. [applause]

These are practical aspects of nationalism. Where was the IMF and the World Bank leading us? Among other things, they had already closed IMA [Agricultural and Livestock Marketing Institute]. But who solved the Panamanian people's food crisis in the first few days? IMA. We have revived that institute. Staples are being sold at low prices in open markets. IMA has been more active and we can no longer say there are sinecures in this agency. It is now composed of people who produce. IMA was apparently going to be closed because of its many sinecures. But the real reason for the attempt to close IMA was the desire to protect the large supermarkets and consortiums. That is what was at the bottom of all that. The idea was to eliminate every corporation that represents competition and which could project an image of Panamanian nationality, independence, and liberty. But we cannot permit this. These principles are at stake. I am happy because I can speak in the presence of a group of people who understand, feel, and live for Panama.

Gentlemen, the May 1989 elections are a great challenge for us. I wish these elections could be the starting point to strengthen Panama's nationalism and nationalist struggle and, if possible, national harmony. As far as we can see, this second aspect does not seem likely. I want to take this opportunity to warn those who do not want to have serious and deep considerations, those who want to disturb the country, and those who fail to present a government platform and make a commitment with the Panamanian masses that, as Don Quixote said, it is best not to stir up things. As soon as they start showing their true intent, we will have turmoil in the Republic, everything will be turned upside down, and there will be no one left to cast the first stone. Thank you.

Solis Palma Comments on Japan Trip, Perez

PA1502043889 Panama City Televisora Nacional in Spanish 2310 GMT 14 Feb 89

[Interview with Manuel Solis Palma, minister in charge of the Presidency, by unidentified reporter; date and place not given—recorded]

[Text] [Solis Palma] I believe the meeting of Central American presidents should have been held a long time ago, but it was postponed. The meeting has the spirit that Panama has always supported; that is, the search for peace through negotiation and dialogue—not through the use of force—with respect for nations' self-determination. I hope no one interferes with the summit and that the topics reviewed benefit the region and brother nations.

[Reporter] Mr President, we understand you will soon travel to Japan—on 20 February to be exact—to attend Emperor Hirohito's funeral. Will you seek some type of aid for our country with the Japanese private sector or government?

[Solis Palma] We will do whatever is possible given that we will not have much time. Unfortunately, the date for the emperor's funeral is near the opening of the Legislative Assembly session, on 1 March, and I must be in Panama then. I will have to return from Japan almost immediately.

[Reporter] Mr Minister, can you explain the sudden change in President Carlos Andres Perez' attitude toward Panama's political situation?

[Solis Palma] I believe this is basically the result of a position adopted by Latin America...[corrects himself] a sector of Latin America, and we will reveal it in due time. Let us not forget that Bush said a long time ago that the United States' arm is very long. [end recording]

Commentary on U.S. 'Anti-Panama Campaign'

PA1402155389 Panama City Televisora Nacional in Spanish 2300 GMT 13 Feb 89

["Today in the World" commentary by Luis Manuel Martinez]

[Text] There are 83 days to go [until the elections]; today, Monday, we are 83 days away—that is, 2 months and some days. Therefore, let the ideological struggle lead us to 7 May.

For the first time in Panama, the submissive oligarchy, subservient people used by the United States as its shock troops, will oppose the popular liberation forces. This is a historical clash that will be won by the majority, who is deeply inspired and determined to defend the land in which they were born.

The anti-Panama campaign is dead in the water; that is the subject of our commentary for today. William Branigin, a foreign correspondent for THE WASHINGTON POST, has published a lengthy analysis on Panama in which he claims that the entire campaign since 1986 has come to a standstill.

For example, he notes that General Frederick Woerner, head of the U.S. Southern Command, is not on speaking terms with U.S. Ambassador Davis, whom he describes as inept and blames for further complicating matters. Woerner said that the State Department has created a political vacuum with the measures it has recommended against this country.

William Branigin states that the Bush administration does not know how to get rid of, to get off its back, to shake off, that lifeless nightmare called Tuturo [Eric Arturo Delvalle]. What should we do with Tuturo? That is the question in Washington. On 26 February, he will have spent 1 year in hiding. Who is paying him any attention? The Panamanian Government, opposition, and people are not. The great Latin American family of countries has supported Manuel Solis Palma at the United Nations and the 2 February meeting in Caracas. How, then, is Tuturo still useful to the United States?

Branigin also provides confidential information regarding the concern of U.S. officials, now under Bush, over the many lies and falsehoods used by Gabriel Lewis Galindo to influence military decisions in Panama through various subterfuges. It has reached the point where no official listens to Lewis Galindo anymore. He resides in Washington, but Washington does not believe in him.

The business community, Panama Canal Commission, and high-ranking Southern Command officers are opposed to the continuation of the policy of withholding taxes and payments to the education fund that is creating a crisis among canal personnel.

In sum, the entire structure of brutality and cruelty is collapsing each day. What will the United States do? That is its problem. They are at a standstill; they should take the path of truth and respect. They have no other option.

Branigin points out that it is absurd that U.S. Embassy employees are paying taxes while canal zone employees are not allowed to do so.

There are also a number of State Department officials who refuse to identify themselves, which is normal when hyprocrisy prevails. They are anonymous cowards—like the terrorists who plant bombs and never appear or writers who never sign their slanderous articles. These Washington officials say that the government has no specific plans regarding Panama—that no policy has yet been defined.

However, as we get closer to the elections, the monster of disinformation is reappearing and we are reading incredible stories. Tomorrow, I will comment on a newspaper story on how embassy employees, according to the U.S. press, are overtaken by panic and feel they are about to be murdered or kidnapped by the Defense Forces. A story that deserves a Pulitzer Prize.

We will see how the foreign imperialist forces create new myths to revive the anti-Panama campaign as we follow our own path. "Today in the World" will keep its viewers informed.

Opposition Rejects Noriega Invitation for Talks

PA1402200589 Panama City ACAN in Spanish 1817 GMT 14 Feb 89

[Text] Panama City, 14 Feb (ACAN-EFE)—The Panamanian opposition stressed today that the only matter it will discuss with General Manuel Antonio Noriega "is the date and conditions for his retirement as chief of the Panama Defense Forces."

The opposition parties' communique was issued in response to yesterday's invitation from regime "strongman" Noriega to hold talks concerning the 7 May elections.

"We will not humiliate ourselves before the dictator who oppresses our people," Guillermo Endara, presidential candidate of the Civic Democratic Opposition Alliance (ADOC), stressed.

The opposition communique noted that Noriega is "the greatest obstacle to free elections, democratization, and our country's economic recovery."

The opposition also accused Noriega of human rights violations, of keeping the media closed since last year, and permitting the return of exiles.

The opposition alliance document also maintained that Noriega is to blame for "keeping the Electoral Tribunal in the hands of biased magistrates."

The communique was disclosed during the delivery of an ADOC note to the mayor of Panama City announcing a march through various city streets on 2 March to demand free elections and respect for human rights.

Carlos Duque, National Liberation Coalition (COLINA) presidential candidate, and Ramon Sieiro and Aquilino Boyd, candidates for first and second vice presidents, respectively, of that government alliance, visited Noriega yesterday to reiterate their support. Noriega used the opportunity to extend his invitation to the opposition.

"The COLINA candidates paid homage to Gen Noriega because they represent him," the ADOC communique noted.

It added that the list of government candidates "is composed of Noriega's businessman" (Duque), his brother-in-law (Sieiro), and one of his public relations men" (Boyd).

The opposition did not comment on Noriega's call to all candidates to avoid "provoking" what he called the "fifth column," which could "tarnish" the elections.

'Irregularities' in Candidate Nominations Seen

PA1502025989 Panama City Circuito RPC Television in Spanish 2300 GMT 13 Feb 89

[Unattributed report on statement by Nationalist Liberal Republican Movement legislator Jorge Ruben Rosas; date and place not given]

[Text] Legislator Jorge Ruben Rosas has charged that the Democratic Revolutionary Party [PRD] and Labor Party [PALA] have committed irregularities in nominating their candidates.

[Begin Rosas recording] We have observed that PRD and PALA nominations are in violation of the Electoral Code. Specifically, we can refer to the candidates nominated by the PALA convention held in Chiriqui on 28 January, in which Fidel Murgas Abrego was nominated for District 4.7. Later, that nomination was dropped, and Carlos Santiago Castillo, of the PRD, was nominated. In other words, the PRD and PALA nominations have been combined, even though PALA nominated Fidel Murgas Abrego. That violates the Electoral Code, and Carlos Santiago Castillo's nomination should be annulled.

There is another case in District 4.5, in which PALA nominated Roosevelt Reyes, and the PRD nominated (Minorfo Troetch). However, it has been reported that Luis Emilio Halphen was nominated for that district. That was not done during the conventions; therefore, this violates the Electoral Code.

I want to take advantage of this opportunity to say that electoral fraud has already begun, as can be seen in the final electoral registration lists that were delivered on Friday. Yesterday and the day before, we examined the lists for Tole District, and compared the final lists with the preliminary lists issued last November. We observed there was an abnormal and illegal increase of 1,099 voters. In Remedios District, the final list has 433 additional voters, which is a total of 1,532 voters for the two districts. These districts are part of Circuits 4.7—which I represent—and 4.4—the Indian area—and these lists include persons who are unknown in both districts and who have cedula numbers that do not correspond to those districts. We must be alert to this situation, and something must be done. Fraud is already taking place on the electoral lists. [end recording]

Referring to the difficulties the opposition political parties will have for bringing together their supporters once the electoral campaign begins, Jorge Ruben Rosas pointed out:

[Begin recording] Bus drivers have been threatened with having their licenses taken away if they carry opposition members to campaign events. This is another fact that shows there will not be free elections, but rather elections subject to the factors of power. [end recording]

ADOC's Endara on Need To Honor Canal Treaties

PA1402182289 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Feb 89 p A-1

[Article by James Aparicio]

[Text] Guillermo Endara, Civic Democratic Opposition Alliance [ADOC] presidential candidate, yesterday told LA ESTRELLA DE PANAMA that the United States "must abide by the canal treaties" and dismissed reports that the United States intends to remain in Panama beyond the year 2000.

"We reiterate that the treaties must be honored," said Endara, who added that charges that the United States intends to install a docile government in Panama in hopes of disregarding the canal treaties are part of a "campaign of lies."

Panamanian officials have repeatedly charged that the United States has organized a campaign against Panama to negotiate a new treaty and to ensure the presence of 10,000 U.S. soldiers in Panama.

"It is not true that the United States wants to stay in Panama. Official statements by the U.S. Senate, Congress, and the President himself have indicated exactly the opposite," Endara said.

Endara, a 52-year-old lawyer, was nominated by the Christian Democratic Party, the Authentic Liberal Party, and the Nationalist Liberal Republican Movement, along with Ricardo Arias Calderon and Guillermo Ford.

Endara denied that the United States is financing the Panamanian opposition, which on various occasions has received the verbal support of U.S. State Department and Senate officials.

"That is mere slander. We have never received any money from the United States, nor do we want any," Endara emphasized, adding that the upcoming 7 May elections will be a great plebiscite against the government.

Showing a great deal of optimism over the 7 May elections, Endara said that if his party wins the elections, its members will be "cautious" with regard to the Armed Forces and their current commander, General Manuel Antonio Noriega.

"We do not plan to take humiliating measures that could have a high political cost," Endara explained, referring to the Defense Forces, which he described as a "professional and honorable institution."

Endara announced the creation of "a new republic" which will include a "transitional" phase beginning with a "break" with the current political process that began with the 11 October 1968 coup d'etat.

RPC TV's Silence on Bomb Attack Criticized

PA1402201489 Panama City LA REPUBLICA in Spanish 10 Feb 89 p 5

[From "The Reporters' Notebook" column]

[Text] The television station owned by the ship-caulking brothers [los hermanos Calafate—Carlos Eleta and Fernando Eleta, owners of Circuito RPC Television], continues to play the refrain of the disinformation campaign launched by the country's enemies. They are always leaking venom. For them, the terrorist act against Channel 2 [Televisora Nacional] went unnoticed.

Argentina

Menem Warns of Bloodshed Over the Falklands

PY1402213889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2010 GMT 14 Feb 89

[By a special NOTICIAS ARGENTINAS correspondent]

[Excerpts] Rio Grande, Tierra del Fuego, 14 Feb (NA)—Carlos Menem, the presidential candidate of the Justicialist Party, today severely warned the British Government about Argentine sovereignty over the Malvinas Islands, and he indicated that "it is not known how much time will pass nor how much blood will flow, but our territory will be returned to the people."

"Let the world's pirates know that despite everything, the Malvinas still belong to Argentina," the candidate emphasized as he launched his campaign in southern Patagonia, where he also called Eduardo Angeloz, his UCR opponent, a "hypocrite" for having proposed unemployment insurance "in a country where everything still has to be done." [passage omitted]

The warning to the British Government was made last night during the first campaign rally, in the city of Usuaia, where Menem addressed approximately 3,000 persons who filled to capacity the Municipal Sports Center of that city. [passage omitted]

Referring to the conflict that our country maintains with Great Britain over the islands of the Southern Atlantic, Menem stated that "Argentina does not surrender. It is not known how much time will pass nor how much blood will flow, but our territory will be returned to the people, because we will not surrender to international pressure." [passage omitted]

Terrorist Leader Merlo Said in Brazil

PY1302235489 Rio de Janeiro O GLOBO in Portuguese 13 Feb 89 p 5

[Excerpt] Porto Alegre, Rio Grande do Sul—Uruguayan Interior Minister Antonio Marchesan has confirmed that Argentine guerrilla leader Enrique Gorriaran Merlo entered Brazil after having directed the attack on the La Tablada barracks in Buenos Aires.

In an interview at the Uruguayan city of Rivera, Minister Marchesan reported that his government knows that Gorriaran Merlo crossed the border between the Uruguayan city of Bella Union and Barra do Quarai, Brazil. Thus, Minister Marchesan added credibility to a report that Gorriaran Merlo had been seen in Santana do Livramento by an Argentine tourist. Santana do Livramento is the Brazilian city across the border from Rivera, Uruguay. [passage omitted]

Bolivia

Information Minister Says Ties With U.S. 'Notable'

PY1402130389 La Paz La Red Panamericana in Spanish 1130 GMT 14 Feb 89

[Text] Concerning the remarks recently made by U.S. Ambassador Robert Gelbard, Information Minister Herman Antelo has asked for understanding.

Antelo said that the government will not engage in any type of controversy with the U.S. envoy because relations [with the United States] are at a notable level now.

MNR Leader Says Five Ministers Will Resign

PY1402151589 La Paz La Red Panamericana in Spanish 1130 GMT 14 Feb 89

[Excerpt] According to the criterion of the MNR leadership, the reshuffle of the cabinet in entirely up to the head of state until 6 August 1989.

Walter Gumucio, the permanent secretary of the MNR executive board of La Paz Department, has said that five ministers will resign in order to run for the Senate and for the Chamber of Deputies. This should happen before (?6 March).

In this regard, Gumucio said that the ministers who will tender their resignation are: Foreign Minister Guillermo Bedregal, Interior Minister Juan Carlos Duran, Education Minister Enrique Ipina Melgar, Transport and Communications Minister Andres Petricevic, and Presidential Secretary General Walter Zuleta. [passage omitted]

Minister Denies Resignations

PY1402153489 La Paz La Red Panamericana in Spanish 1130 GMT 14 Feb 89

[Text] Information Minister Herman Antelo has said that no minister has been asked to tender his resignation and that no meetings have been scheduled to discuss this issue.

The dignitary of state recalled that the constitution grants the president of the Republic the power to form his team of assistants in accordance with the requirements of the administration of the state.

Nevertheless, the information minister admitted that an MNR call to several MNR members who are serving as ministers to run for the Senate and for the Chamber of Deputies has aroused the expectations of the citizenry.

Interior Minister Rules Out Existence of Guerrillas

PY1402154889 La Paz La Red Panamericana in Spanish 1130 GMT 14 Feb 89

[Text] Interior Minister Juan Carlos Duran again ruled out the possibility of the existence of guerrilla movements in Bolivia. The interior minister said that the state

security agencies have not detected any indication of the existence of guerrilla groups in Bolivia. This information was supplied to Radio Panamericana by the interior minister after he presented a report on the country's domestic situation to Bolivian President Victor Paz Estenssoro.

Minister Duran also pointed out that there is no information or evidence that part of the important arms shipment seized in Savona, Italy, was destined for Bolivia.

The appropriate Bolivian authorities are expecting more information on this shipment which, according to unofficial reports, could also have been destined for Colombia.

The interior minister said that as soon as official reports are received the national agencies will conduct investigations to determine the existence of a recipient in Bolivia.

This type of event has not been reported in Bolivia since 1970 when an extremist group failed in its attempt to form a guerrilla group. Only some isolated actions such as unimportant attacks and the killing of a Peruvian diplomat in La Paz in December 1988 have taken place.

Foreign Ministry Enquires About Arms Shipment

PY1302164189 La Paz La Red Panamericana in Spanish 1130 GMT 13 Feb 89

[Text] The Bolivian Foreign Ministry is gathering information on an arms shipment that was seized in Savona, Italy, an incident in which our country has been involved.

Bolivian Foreign Minister Guillermo Bedregal Gutierrez has confirmed that information has been requested from Italy so that the Bolivian Embassy in Italy [words indistinct] the information required by Bolivia.

Bolivia is involved in this arms shipment because, according to the Italian police, a large portion of this shipment was bound for our country. Possibly the arms were for guerrillas that are supported by drug traffickers.

The Foreign Ministry has announced that it does not have any reports in this regard but [words indistinct] all the details that come from our embassy in Italy.

Bedregal Denies Arms Story

PY1402022889 La Paz La Red Panamericana in Spanish 1700 GMT 13 Feb 89

[Text] Bolivian Foreign Minister Guillermo Bedregal has stated that there are no guerrilla groups in Bolivia, adding that the government attributes to journalistic imagination the story that Italian-made arms may have been destined for paramilitary groups.

Bedregal said the Bolivian Government has dismissed the possibility of an arms cargo for Bolivia, since the Italian Government has not issued any document confirming the report released by [word indistinct].

According to Bedregal, journalistic sources reported that an arms shipment was bound for Bolivian guerrillas supported by drug traffickers.

Bedregal categorically stated that the Bolivian Government has received no reliable information on the matter.

* Integration Talks With Brazil Continue

33480084c Santa Cruz de la Sierra EL MUNDO in Spanish 5 Jan 89 p 13

[Text] (La Paz, 4 January)—In accordance with the agreements signed by Presidents Victor Paz Estenssoro and Jose Sarney of Bolivia and Brazil, respectively, the governments of those countries will continue their work to find a means of achieving effective binational integration.

Taking the provisions of the Economic Cooperation and Complementation Act signed by the authorities of the two nations into account, Brazil and Bolivia, through the commissions established, are seeking to achieve the best possible results in various sectors of activity.

Each of the two governments, in turn, has promised to make import formalities and requirements more flexible and less complex, with a view to facilitating and/or liberating trade between Brazil and Bolivia.

Also, the two governments have decided to eliminate foreign exchange provisions and to undertake consideration of the retail trade between the frontier settlements, with a view to reducing administrative red tape.

According to reports, the subcommittee on economic, financial and commercial affairs and complementary industrial production will hold meetings during this government term to work out means of achieving more complementary activity and to approve resolutions benefiting both states.

According to the reports of the foreign ministry of our republic, the commissions of the two countries are working to achieve the goals established and to encourage effective integration.

Bolivia has a great interest in reaching an agreement with the Republic of Brazil on the purchase and sale of gas. This might be possible by next month, based on the exchange of background material within the respective commissions.

Assurance was given that the Bolivian Embassy in Brazil is working on this intensively, in an attempt to ensure that the members of the Energy Commission can complete their studies and promote the trade operation.

Technical Advice

What is being sought in the technical sector is the application of the documents signed in connection with medical aid for the elimination and prevention of diseases.

There are also proposals that the Republic of Brazil provide Bolivia with professional assistance for the execution of certain projects being developed on our territory.

* INE Report Gives 1988 Inflation Figures

33480084d Santa Cruz de la Sierra EL MUNDO in Spanish 4 Jan 89 p 13

[Text] La Paz, 3 January (ANF)—Cumulative inflation reached 21.5 percent in 1988, a level more than double that reached in 1987, which was 10.7 percent. This information was provided by the National Statistics Institute (INE) in an official report made public today.

The rate of inflation this past December came to 1.33 percent. The INE reported that the annual rate for 1988 was 66 percent lower than that in 1986, but more than double that in 1987 (10.7 percent).

Inflation in December exceeded that for the comparable periods in 1986 and 1987 by 0.65 and 0.8 percent, respectively. The INE reported that inflation averaged 16 percent for the year just past, reflecting the change in average prices for the year as compared to 1987.

The highest levels of inflation in 1988 occurred in the months of April and July, with rates of 4.74 and 3.99 percent, respectively, while the months with the greatest negative variation were January and September, with 0.45 and 0.37 percent, respectively.

Categories

According to the INE, "housing" and "miscellaneous," both with rates of 33.1 percent, were the categories which showed the greatest dynamics in the period under consideration. Next came "food," with 18.2 percent, and "clothing," with 16.4 percent.

It was reported, however, that because the complex of goods making up the "food" category has greater weight, this category had the greatest effect on the cumulative inflation for the year, with 12 percent above the index of 21.5 percent reported earlier, which accounted for 56 percent of the cumulative inflation rate for the period.

Similarly, the inflationary effect of the "housing" category (2.5 percent) represented 12 percent, "clothing" (1.7 percent) 7 percent and "miscellaneous" 25 percent.

Transportation

In a breakdown of the Consumer Price Index (IPC) package, the INE determined the development of the average rates for the items making up the "travel" subgroup, including microbus, taxi and boat trips. The official analysis reveals that the percentage variation rate for this subgroup came to 65.4 percent in 1988.

Gasoline

The INE reported that the price of gasoline, which constitutes a subgroup in itself, showed a percentage variation rate of 48 percent in December, as compared to December 1987.

Energy

A third subgroup with a considerable cumulative variation rate was "lighting and fuel," which includes liquified gas and electrical energy. The variation was 41 percent.

The analysis indicated that the "bread and grain" subgroup showed the highest rate of variation in the food category, with 37 percent, followed by "edible fats and oils," with 32.8 percent.

According to the INE, the following products showed the highest rate of inflation between December 1987 and the same month in 1988: beef, 1.66 percent; onions, 1.61 percent; liquified gas, 1.59 percent; public service rates, 1.48 percent; rice, 1.03 percent; sugar, 0.89 percent; periodicals, 0.84 percent; hardtack, 0.79 percent, and others.

Brazil

Finance Minister Discusses 'Summer Plan'

PY1402203389 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Feb 89 pp B1, B8

[Interview with Finance Minister Mailson da Nobrega by FOLHA DE SAO PAULO on 10 February at the Finance Ministry meeting hall, by Josias de Souza]

[Excerpts] FOLHA: What is the main virtue of the "Summer Plan," and what is its main problem?

Da Nobrega: The main virtue is that we have taken advantage of past experience. As we identified the flaws of previous programs, we prepared and approved an all-embracing plan. The plan is not based simply on a freeze of prices and salaries; it admits the inflationary nature of an ill-financed public deficit. It also admits the need for strong measures in the monetary and credit sectors to avoid a sudden expansion of demand. The plan also includes measures to protect savings. In sum, we are using the freeze as a mechanism to overcome the inertia and the expectations, but not as the only, or even decisive, instrument to fight inflation. The essence of the

plan is not the freeze; that is only the orthodox part. The plan also makes use of unprecedented control of the public deficit and an unpredecented policy regarding interest rates.

FOLHA: And what are the problems of the plan?

Da Nobrega: The plan is facing several problems. We should be naive to think that an operation of this type will be perfect, especially with the freeze in a period of widely disparate and imbalanced prices. The freeze causes some imbalances. We have localized imbalances in prices of soybeans, some milk by-products, electricity ... We will have to deal with these difficulties adequately, with the participation of the private sector. There is another program, which I believe is the most serious. It is the beginning of a wave of doubt that the government will effectively fulfill its promises concerning deficit control. I believe some comments can be made here. First of all, what the government established with Provisional Measure 32, which became law when congress approved it—it became Law No 7,730—is that the government can spend only what it collects. This is provided for in Article 18. The measure we have adopted seeks to prevent chaos. I do not understand why this message cannot be sent clearly to the people. People are beginning to think that this is a trick. [passage omitted]

FOLHA: What will be the status of those projects that are included in the government budget and that are to be financed through a deficit increase?

Da Nobrega: This is another matter I would like to point out. The people have not realized that establishing that the government can spend only what it collects and that government securities will only be issued to roll over the debt and to pay interest, means that all programs that were financed through deficit will have to be automatically canceled. To give you an idea, these cancellations represent 15 percent of public expenditures. The national budget will have to be reviewed for two reasons. First: the budget approved by congress at the end of last year provides for a monthly inflation rate of 10 percent, and we are working with predictions lower than that. Second: on approving Provisional Measure 32 and turning it into law, congress automatically modified the budget by establishing that the government can spend no more than it collects. The decision to approve Article 18 of the provisional measure means that the budget must be reviewed. We have been working for a week now on that process with technicians of the Budget and Finance Secretariat and of the Treasury Secretariat. Within the next 30 days we will have to present to the nation a budget that will necessarily reflect the rule of spending no more than is collected. We are going to prove that this is no joke, but something serious. [passage omitted]

FOLHA: And what about ending the price freeze, Minister? When and how will it be ended?

Da Nobrega: No time has been set for the freeze to end. It will have to be discussed in due time by workers, businessmen, and the government. The documents that formalize the economic plan state that the manner to end the freeze will be decided within the framework of the social pact. [passage omitted]

FOLHA: Is the Brazilian Government aware of the proposals U.S. President George Bush will make to bring relief to indebted Third World countries?

Da Nobrega: There are many points to consider regarding this subject. First, developed countries must fully recognize that the size of the debt ought to be reduced. It is no longer taboo to talk about pardoning, providing relief for, or reducing the debt. We need to reach an agreement on how to reduce the debt.

FOLHA: What strategy will Brazil adopt? Which proposal will be in keeping with Brazilian interests?

Da Nobrega: I believe that a solution to the debt problem of countries like Brazil will not be achieved by pardoning its debt, but by reducing it. Developed countries contend that the market should resolve the question of reducing the debt. The governments of creditor countries should create mechanisms to this effect by making losses stemming from debt reduction deductible from income taxes, by enforcing flexible banking regulations, and by stimulating the conversion of debts into investments. Developed nations, nevertheless, have a domestic problem. It is a political problem: the connection of their taxpayers' money to an official program for reducing the debt sponsored by a multilateral agency. The idea of reducing the debt is no longer rejected. What we have to do is seek more daring solutions. Any solution will have to follow either of two formulas. We must create an agency charged with buying bonds on the secondary market at a discount and with transferring the benefits to the debtors—the Mitterrand proposal. The alterntive would be to create a single agency charged with backing the bonds issued by the debtor countries and with paying the principal and interest on those bonds, which would be exchanged for the old debt at a discount. Any solution should follow these formulas. We cannot adopt simplistic, demagogical solutions. [passage omitted]

FOLHA: Has the short-term external problem already been solved? Are the funds that Brazil was expecting from its creditors coming or not?

Da Nobrega: We have absolutely no interest in resorting to confrontation again to address the foreign debt problem. We hope that developed countries and multilateral institutions will understand the current situation. Brazil is making a great effort to implement economic adjustments. This effort undoubtedly requires foreign support. We expect to receive bank disbursements totaling $1.2 billion, and we have a loan program with the World Bank that is important for the country. We expect that all this will result in more resources for Brazil. We also

expect to receive Japanese funds. If none of these programs materialize, we will have a problem. We have set a minimum level for foreign currency reserves; if we reach this minimum, we will have to suspend our payments. We will do that in a civilized fashion. We will have to tell our creditors that, despite all our good intentions, we cannot afford to make any more payments. [passage omitted]

Petrobras Daily Oil Production Goal Noted
PY1402180189 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 14 Feb 89

[Summary] Brazilian oil production should increase from 580,000 to 710,000 barrels daily by October 1989. The Petrobras goal in the coming 5 years is to produce 1 million barrels of petroleum daily.

*** Centrist Disunity Thwarts Possible Alliance**

*** Candidate Search**
33420030a Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jan 89 p 4

[Article by Flamarion Mossri]

[Text] Brasilia—The politicians who consider themselves or who are considered "centrists" are convinced that unless an alliance is formed among like-minded parties, they will be opening the way for Leonel Brizola, of the PDT [Democratic Worker's Party], and Luiz Inacio Lula da Silva, of the PT [Workers Party], to meet in the second round of the presidential elections on 15 November 1989.

The same parties that argue for the agreement have already announced their intention to launch their own candidates, making inviable the proposed centrist-progressive liberal alliance, promoted by Senator Marco Maciel (Pernambuco), president of the PFL [Liberal Front Party]. There have been two or three meetings of officials and leaders of the PDS [Social Democratic Party], the PFL, the PL [Liberal Party], the PDC [Christian Democratic Party] and the PTB [Brazilian Labor Party], without any practical results.

The senator from Pernambuco has attempted to lure the PSDB [Brazilian Democratic Socialist Party] and Mario Covas, the "toucan" candidate, to the negotiating table, but without success. Senator Fernando Henrique Cardoso attended one meeting, but is not planning to take part in others, since the PSDB has also decided to launch its own candidate: Senator Covas.

Fernando Henrique Cardoso is lined up with the Covas candidacy and is now hoping to run for governor of Sao Paulo in 1990.

Marco Maciel is seeking to attract the "toucans" and to exclude Ulysses Guimaraes' PMDB [Brazilian Democratic Mobilization Party] from the alliance. Maciel claims that the bases of the Center parties, beginning with the PFL, do not allow for agreements with the multihued PMDB. Shortly before Sao Paulo Deputy Afif Domingos emerged as a candidate, the PL was also attending the meetings promoted by Marco Maciel. Afif himself took part in some discussions, even going against the position of Adolfo Oliveira (Rio de Janeiro), the PL leader in the Chamber.

Voicing the opinion of the vice leaders and almost the entire PL bench (of only eight deputies), Adolfo Oliveira declared that the party would only discuss an alliance with the liberal Center "if the PMDB is also invited." The PL leader feels there is no future in a probable alliance of "losers." He argues for the inclusion of the PMDB in the discussions and consideration of Ulysses Guimaraes as a candidate.

Another participant in the meetings of the Center, Senator Jarbas Passarinho, president of the PDS, is no longer in a position to commit his party to any alliance. The PDS has also decided to launch a candidate to succeed Sarney. Passarinho's name is mentioned most, despite the usual noise from Maluf supporters.

The PTB is talking about the agreement, but the two presidential possibilities that the party could present are not affiliated: Janio Quadros and Antonio Ermirio de Moraes. Senator Affonso Camargo (Parana), national vice president of the PTB, is currently the party's potential candidate, at least for possible understandings regarding a probable agreement with the Center. The PDC might also have its own nominee, but will more probably support a harmonious candidate. The PDC has Siqueira Campos, governor of the new state of Tocantins, former Maluf supporter.

'Candidates of the'60's'

The picture is more complicated in the PFL. The president of the party took the initiative to examine the possible centrist alliance, hoping to include the PSDB and to exclude the PMDB, the PDT, the PT, and the Communist parties, and venturing also to rule out presidential hopefuls Janio and Brizola, "candidates of the 60's who want to take office in 1990," according to Maciel.

Marco created controversy in the PFL by approaching businessman and television promoter Silvio Santos, a move which many of his coreligionists consider "ridiculous." Inside the party, the senator from Pernambuco is being seen as a vice presidential candidate in search of a running mate.

The candidate who is (still) considered a natural for the PFL is former Minister Aureliano Chaves, who cannot count on the declared support of the so-called "independent group," led by Marco Maciel, Carlos Chiarelli,

Jorge Bornhausen, Guilherme Palmeira, and Jose Agripino Maia, among others. This faction would rather seek a candidate who is not a political party militant: Antonio Ermirio de Moraes or Silvio Santos.

Aurelinao Chaves would accept the candidacy if two demands are met: reunification of the PFL and prior nomination by the party bases. The former minister could be launched as the party candidate on 6 January in Maringa (Parana), in the regional convention of the Rio Grande Do Sul, Santa Catarina, and Parana directorates. Aureliano might not take part, however; he does not want to appear in public until he can get a shoe on his right foot—he lost part of his little toe as the result of an inflamed callus.

With the decision of the PDS, the PL and the PSDB to launch their own candidates, with the reluctance of the PFL leaders to "gamble" on Aureliano's candidacy and with the PMDB's disposition to launch its own candidate as well, the "Centrist Liberal Progressive Alliance" will die aborning.

* Internal Division

33420030a Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jan 89 p 4

[Article by Helio Doyle]

[Text] Brasilia—As the year begins, the two parties that built the New Republic and have the largest benches in the Congress do not know who their candidate will be for the Presidency of the Republic. Mired in serious internal disagreements, the PMDB and the PFL not only have no candidates, but will have difficulties maintaining their size following the national conventions which they will hold in March, to renew their national directorates and, certainly, to discuss the presidential succession.

The indecision of the two major parties, while the parties in opposition to the Sarney government have already launched their candidates, has even broader political significance. The sectors which are situated at the Center and Right of the traditional political spectrum do not have a presidential candidate, although, once the results of the municipal elections became known, they have been desperately seeking a candidate capable of defeating Leonel Brizola, of the PDT, and Luiz Inacio Lula da Silva, of the PT.

The initial idea was that the AFL [expansion unknown], PDS, PL, PTB, and PDC would launch a single candidate. Later, the PSDB was added to the list. However, the PL has already launched a candidate: Deputy Guilherme Afif Domingos, who has declared that he does not want any compacts. The PDS candidate is Senator Jarbas Passarinho, who has not attended any more meetings of the "coalition." The PSDB will agree to accords only if Senator Mario Covas, the party candidate, leads the slate. The PTB candidate is Senator Affonso Camargo, who could withdraw his name in the interest of unity, but many people in the party are thinking about former Mayor Janio Quadros and businessman Antonio Ermirio de Morais.

Another businessman, Silvio Santos, has been having conversations with Senator Marco Maciel, president of the PFL, who is one of the major proponents of a single candidate from the "Liberal Progressive Center" and who wants a name with strong voter appeal. Maciel leads only one wing of the party, however. Another wing prefers former Minister Aureliano Chaves and still another wing, led by Communications Minister Antonio Carlos Magalhaes, wants a strong candidate who can defeat Lula and Brizola, but without making many concessions to the Center-Left. Antonio Carlos is considering Janio Quadros and has been talking quite a bit lately about businessman Jayme Canet Junior, former governor of Parana. It is certain that the PFL will not be united after its convention and these three groups will not have the same candidate.

Nor will the PMDB be united after its convention on 12 March. The Ulysses supporters are talking to the old-line party members (on the party's left) about forming a new national directorate, while the moderates with ties to the Sarney government are working on the other side. Ulysses Guimaraes, who was the party's natural candidate before the municipal elections, is not any more. The old-liners prefer governors Miguel Arraes, of Pernambuco, and Waldir Pires, of Bahia; some would like to back Mario Covas. The moderates are seeking any candidate with the political and electoral strength to defeat those who are identified with the Left. As in the case of the PFL, the three groups will not remain together and will not have the same candidate.

Other candidates have already been launched, such as Deputy Roberto Freire, of the PCB [Brazilian Communist Party], and Alagoas Governor Fernando Collor, who does not yet have a party. The Rural Democratic Union (UDR) has not yet decided whether or not to launch its leader, Ronaldo Caiado, who is more inclined to run for federal deputy in 1990.

* Labor Views Economic Crisis, Social Pact

33420025 Rio de Janeiro MANCHETE in Portuguese 31 Dec 88 pp 30-38

[Report by Beatriz Cardoso, with Marluce Brauna and Eustaquio Mendonca; photo captions follow text and boxed material]

[Text] To lead a nation that ranks eighth among the economies of the world, with a 1988 Gross Domestic Product [GDP] forecast at 82 trillion cruzados and a trade balance of $19 billion, is no easy task. Especially when, on the other hand, it has a deficit projected at 3.28 trillion cruzados—which, at more than 4 percent of the GDP [Gross Domestic Product], exceeds the target level

agreed on with the IMF—and the cumulative inflation rate for the first 11 months is 702.57 percent. In other words, a country on the threshold of hyperinflation....

To deal with this bogeyman, representatives of the government, business, and labor sat down together again for another round of negotiations and analyses in order to join forces, this time, to try to hold price increases to a maximum of 24.5 percent during the month between 3 January and 2 February 1989. At least one major victory in that battle has been conceded by the president's chief of staff, Minister Ronaldo Costa Couto, 46, who is also the acting minister of labor: The Brazilian economy can no longer be administered by decree.

Representing the administration in the Social Pact, Costa Couto has been advocating what he calls "a new democratic model in Brazil." After all, for the past 24 years the economy has been administered through decrees, "packages," and legal measures which the public had to learn about through the newspapers—and then, obviously, only after everything had been signed, sealed, and delivered. In Costa Couto's opinion, today's decisions must be shared with business and labor in order to "give legitimacy to the solutions." From then on, the minister said emphatically, the key word is "participation." In an effort to track the movements of the forces behind the Brazilian economy, MANCHETE solicited the opinions of 10 nationally known business leaders and 5 union leaders. An initial diagnosis indicates that, in the eyes of some sectors of the business world, the Pact could be the forerunner of a process of "co-management" of the economy.

Under the new winds of democratization sweeping through the area, the economically active citizens (employers and employees) are maneuvering to gain the right to vote on government decisions. To do this they are trying to consolidate their representativeness in the country's economic realm. Some are participating in the Social Pact; others are not. But there is a consensus: Organized society must, through its representative groups, take a more active role in determining the economic policies to be adopted in Brazil.

The most revealing evaluation of the situation came from Mario Amato, president of the Sao Paulo State Federation of Industries (FIESP). He confided that he has reconsidered his position on co-management and is beginning to view it "openmindedly." Two years ago, when people at his own factory discussed the subject, he had reacted negatively. "Today I have come to the conclusion that when a worker participates in a development process he becomes a collaborator," Amato observed. In his opinion, the co-management of an economy that can no longer be administered by the Executive alone is a formula for the future, one that will probably win support gradually as society becomes aware of the need for it. This means that it can never come about by decree. The FIESP president believes that a new mentality emerged with the announcement of the Social Pact. He even points out that the administration is being very patient in dealing with the issue, saying: "We have never experienced a period in which there was so much harmony and so much anarchy at the same time. But democracy is also being exercised. Now we are being heard," he asserted.

Administration Reluctant To Be Caught in the Middle as Guardian of Democracy

Former Minister of Agriculture Alysson Paulinelli, now president of the National Agriculture Confederation (CNA) firmly believes that everyone is ready to assume a more important role in the discussions on the various economic approaches: "As society comes to realize that the Pact promises not miracles, but concerted action, everyone will have the good sense to adopt it." Paulinelli believes that it is essential that the administration have the support of all segments of society—political parties, the Congress, state and municipal officials, and the courts—in order to achieve the objective: "The administration displayed sufficient humility in asking society to participate. It has confessed its inability to bring the economy under control and revitalize it all by itself," he said.

Senator Albano Franco (PFL/SE) [Liberal Front Party-/Sergipe], president of the National Confederation of Industries (CNI) adds: "Democracy is the system of administering conflicting pressures. It is essential that the groups that represent society be more aggressive in their actions. Over the years, society has discovered that it is vital to have truly representative spokesmen to define and defend the interests of each sector, especially to function as a constraint against the government."

Businessmen Counting on Clear Vision of the Country, See Their Duty To Participate

Oliveira Santos recalls that in the past, the business community had only to talk with the ministers in the economic field to resolve any given problem in that area. Today, he says, it is different: "The Pact constitutes progress. It means that society itself will have a role in managing its own destiny. If on the one hand it used to be easier to resolve an issue among three or four ministers, it was also much more dangerous: You might find that even your competitor could be more of a friend than some government official." Now, in the opinion of the president of the National Confederation of Commerce (CNC) "there is a balance of forces, powers, objectives, and the interests of society. Perhaps it is taking more time to resolve some problems, but there are fewer risks."

"Today there is a desire, in both public life and in the social realm, to change attitudes and to coexist," states Arthur Joao Donato, president of the Rio de Janeiro Federation of Industries (Firjan). He points out: "The Pact shows that there is a new orientation. We are inaugurating a new approach that is more participative

and characterized by greater solidarity. I hope that my grandson never finds out that there was a time when this country was governed by decree." He states that the country is now undergoing an experiment. The more pressure there is, the more there is for democracy to do. "The CNI was one of the most vigorous opponents of former minister Delfim Netto." According to Albano Franco, the administration has to be participatory. "We do not want to be notified of the decisions after the fact, as was the case under previous administrations."

"The country is living through a period of leadership maturation, a time when society's comprehension is also maturing." One of the chief advocates of the Social Pact, the legislator and industrialist says: "The agreement is the most viable way to make control over inflation compatible with the resumption of development." Franco believes that a change in mentality has occurred among businessmen and the workers. He acknowledges, however, that it is necessary to increase his sector's responsiveness even more: "Today, when we sit down at the table to work on the Pact, to talk of figures and statistical data, the Dieese (Interunion Department of Statistics and Socioeconomic Studies) works faster than the business leaders themselves."

Antonio de Oliveira Santos, president of the CNC, says, tartly: "The colony has to be broken up. Government officials think that the various segments of society are their tenant farmers, but society is not a colony of the government."

Labor Not Unaware of Its Strength, Well-Organized for Dialogue

Arthur Joao Donato believes that as it matures, this relationship between the social forces of labor and business that was initiated with the Pact cannot be opposed by the administration: "It seems to me that the working class is better prepared now. The union experience during the authoritarian era gave the labor leaders a foundation that the businessmen didn't have. Now we are trying to make up for lost time. Because of free competition, the business community used to behave less cohesively. It tended to forget that despite free competition, the business world needs something to bind it together around its common interests. It was at the beginning of this decade that there began to be a change in the behavior of the business community."

President of one of the largest federations in the country, the Sao Paulo State Federation of Commerce, Abram Szajman, who did not sign the Pact, echoes the words of other business leaders. He too argues for greater participation by society, although he levels criticism at the degree to which some sectors are properly represented, even within the Pact: "We have a paternalism that is a holdover from the past. There are businessmen who are still addicted to the State, who try to live on tax incentives and subsidies. And because of those ties, they are not truly representative." Szajman acknowledges that the existing representative bodies are trying to be more effective and he thinks they need to be strengthened. He argues for participation by all sectors, especially by the political class: "If the Pact—or any other measure adopted jointly to administer the economy—is to be lasting and susceptible to modifications at any time to adapt to new situations as they arise, it must have the representation of all segments of society." Szajman says that the politicians don't want to take the responsibility for making a decision: "But the critical situation we are faced with now demands a truce. The country needs a truce in the economic area, and in the political and institutional areas as well."

"We want to participate in the administration's decisions," says Antonio de Padua Rocha Diniz, president of the National Bank Federation, Fenaban (a trade association), and the Brazilian Federation of Bank Associations, Febraban. Leader of a sector that has always exerted its influence discreetly, Rocha Diniz says that the financial sector wants to see an end to the changing of the rules of the game by decrees, ordinances, and resolutions: "We want to participate in the drafting and discussion of regulations that affect us. It is one thing to participate, and quite another to get daily surprises through the newspapers. Our sector experiences regulatory changes every day," he says, showing some exasperation. But Rocha Diniz's view is not a radical one. Radical views are not usually found in the financial arena. He stresses that the banks are willing to attempt a dialogue, but not just in order to defend their own interests and get what they want: "We want to participate, to contribute." The search for a dialogue is, he knows, even more important at this time when the Constituent Assembly has decided to put a ceiling on interest rates.

Anyone who advocates greater participation by society in the decisions of the government is necessarily also talking about economic participation. That is true of the chairman of the Sao Paulo Stock Exchange (Bovespa), Eduardo Rocha Azevedo. To him, full democracy means a pulverization of corporate assets that would open the way for workers to become stockholders, thus fostering a distribution of income. This is a thesis that is not accepted by other leaders. Rocha Azevedo believes that it is crucial for the State to reduce its presence in the economy, which means privatization. Representation, in the view of the Sao Paulo stock exchange chairman, comes about through greater participation by the working class and the private sector in the management of the government-owned companies. And that participation will occur through the acquisition of securities issued by various companies, either public or private: "During the era of the military regime, I too protested the way the government administered the economy and its enterprises. Today, I believe that a series of government projects is going to have the effect of concentrating income. That is why I am talking about a more specific form of participation: I think that society must assume responsibility for investing (by buying company stock)

and should serve on the boards of directors. It is a segment that is represented in a process of seeking redistribution of income." As national chairman of the MDU-Urban Democratic Movement, Rocha Azevedo believes that society must be more a participant, more influential: "We are a political movement. But a nonpartisan one." Rocha Azevedo adds: "We want to work to raise the consciousness of disadvantaged classes." The investor and urban leader insists that the two proposals are not mutually exclusive.

Former president of FIESP and an attorney who never practiced law, Luis Eulalio Bueno Vidigal Filho, vice president of Cobrasma, thinks that there has already been a change in the business community in its participative posture.

Despite Differences, Workers Agree It Is Crucial To Build the Future

He acknowledges that economic power has always been seen as something that has great influence on the government: "I believe that business has increased its influence. Not its interference, but its participation, which occurs in a different way now. The private sector today is more closely connected with the political authorities, with the Congress. It used to be more dependent upon the cabinet ministers in the economic area." In the eyes of the former head of FIESP, there is broader participation now in the business community, not only because there are more—and more active—representatives, but also because there are more spokesmen (they are multiplying like rabbits, now that constitutional rules link the executive and legislative branches). Vidigal Bueno believes that the government has opened up a little more: "I can't say yet whether the results are better or worse. That kind of participation is not an indication of greater representativeness of business. Certainly the degree of participation has risen. Businessmen are not preparing to play their role more openmindedly. Right now, the workers are ahead of us. But FIESP is the group that represents those who can speak for the Sao Paulo industrial sector." The former FIESP head himself has not had time to participate as much as he would like to. He divides his attention between Cobrasma, with its 6,700 employees and 1987 earnings of $200 million, and his position as first vice president of CNI, (National Confederation of Industries).

Businessman Olacyr Francisco de Moraes, director and chairman of the board of the Itamarati Group, which is composed of 27 companies in different fields, believes that participation is fundamental: "Otherwise the country will fail." At the head of an empire that has assets of about $1 billion, de Moraes knows whereof he speaks. "The government has grown too big for the system. Its gigantic size has stymied the development of the economy, it consumes all the resources, and causes the government to lose credibility." The economy requires more effective participation by the business community and other sectors in the discussion of the situation. There are worrisome risks. We have to participate, because we are all in the same boat and it could sink very quickly if it is not capably steered, he added. (Minister Ronaldo Costa Couto also shares this theory: "We are all sailing through the same storm of hyperinflation," he said.) Brazil's biggest soybean producer, de Moraes points out that the executive branch has always acted very independently and has made a lot of mistakes: "We could survive those errors up to a certain point. We have to be vigilant, because we are not entitled to commit more errors: revolution, civil war, the fall of a government—history records all of these as being the result of critical economic situations. Therefore, society must bestir itself in order to prevent the worst from happening."

The Workers Get Their Turn

They are the ones responsible for industrial production, commercial activity, and the bumper farm crops. They comprise Brazil's approximately 55 million-member economically active population. This is the so-called working class. Its chief representatives advocate greater participation by the productive masses in the decisions of the government, but they differ as to the methods of achieving this. In all, they represent the 10 confederations, 202 federations, and approximately 5,500 labor unions registered in Brazil. They are the ones who lead the strikes, argue among themselves about political issues, and try to unify the labor movement despite the contradictions in it.

The General Federation of Workers (CGT) has been headed since its creation in 1986 by Joaquim dos Santos Andrade, a metalworker and signatory of the Social Pact. Joaquinzao, as he is known, has been active in union affairs since 1965. An alternate for PSDB Senator Mario Covas, the labor leader says that his organization does not have a unified political orientation. "There are several trends of thought in our central body. The CGT must work within a class policy, rather than a party policy."

Democracy Comes to the Negotiating Table: Formula for Building a New Brazil

Joaquinzao several times been accused of being on "good terms with cabinet ministers in the military governments." He explains that he has never concealed his willingness to sit down with these ministers—including Arnaldo Prieto, who attended his installation in 1965 at the Metalworkers Union of Sao Paulo, the largest union in Latin America: "To discuss the affairs of my occupational category I will lunch with a Murilo Macedo (former Minister of Labor), have dinner with a Delfim Netto, and drink a cup of coffee with Satan," he says. For that reason he is considered to be a cordial leader, while Jair Meneguelli, president of the Sole Central Organization of Workers (CUT) was classified as "disruptive" by the National Information Service (SNI).

Joaquinzao's moderate approach seems to have benefited Luis Antonio Medeiros, who was prominent as a leader at the round table headed by Costa Couto. The president of the CGT has no comment. He says only that the CGT has three representatives in the Pact. And Luis Antonio Medeiros is not one of those names. "He represents the National Confederation of Metalworkers (CNTM)," says Joaquinzao, pointedly. "Within the Pact, we are all soccer players. Like Gerson, remember? The one who always wants to take advantage of any situation." Nevertheless, it is in the nature of the CGT president to try to "exhaust all means of negotiation." Joaquinzao wants to see his class participating in the government's political and economic decisions without giving up the right to strike that is assured under the Constitution. "To guarantee and defend our rights is to fulfill the representative role entrusted to us by the membership." And to strike, like the system of pressures described by Senator Albano Franco, is part of the democracy game. To Joaquinzao, to exert pressures is also a way to participate.

Jair Antonio Meneguelli, president of the sole Central Organization of Workers, goes farther, in assuming a partisan option: "I'm a member of the PT (Workers Party). The unions affiliated with CUT have the right to engage in partisan politics. What we will never allow, despite the accusations made against us, is the use of the union machine for campaign purposes." Meneguelli is characterized as being "sectarian, disruptionist, and one who acts on the theory that 'the worse things get, the better.'" He does not dispute such accusations.

For Meneguelli, worker participation in the economy is not going to come about through a pact: "Structural changes must occur. To talk about participation and representation of the union class while there is no recovery in purchasing power is to try to pay a debt with someone else's money." On at least one point Joaquinzao and Meneguelli agree: The CUT would also sit down with God and the devil to discuss the demands of its members. What Meneguelli would not permit—and in this he is endorsed by Joaquinzao—is for the union movement to retreat in the face of the argument that "strikes threaten institutional stability." Both firmly believe that it is up to the parties, the Congress, and the administration—not the "working class movement"—to ensure such stability.

Antonio Pereira Magaldi, president of the Independent Labor Union (USI), considers the other two union groups to be extensions of political parties: "The CUT is the PT's and the CGT is the PMDB's [Brazilian Democratic Movilization Party]." He speaks out against the partisan approach: "Every time the workers support political candidacies (as in the case of Mondale in the United States, who received the support of the U.S. Sole Central Organization of Workers, AFL/CIO), the candidate loses." He voted for Janio Quadros in 1985 and for Paulo Maluf in the latest elections in Sao Paulo: "To counterbalance a radicalization toward the Left," he emphasizes.

Despite his position, Magaldi was not invited to support the Pact, which he doesn't believe in. He questions the representativeness of the delegations on both the labor and business sides. On this point he agrees with the sarcastic remark by Joaquim, who said, "We are divided millions. They, some hundreds or even some thousands, are much more divided. After all, we're comparing economic power with labor. There are more of us, but we don't have so much profitability."

In the midst of these differences of opinion, the Interunion Department of Statistics and Socioeconomic Studies (Dieese), created in 1955 by five Sao Paulo unions, is still united. Joel Alves de Oliveira, Dieese national chairman, explains that the organization "advises both the CGT and the CUT and the 1,000 unions and other affiliated class entities only on economic and technical matters. We do not replace union leaders. We receive our policy orientation from the union movement, and make the technical studies." Joel de Oliveira points out that when Dieese advises the union entities that participate in the Pact, it is doing so at their invitation. How does it win this respect, even from competing central organizations? De Oliveira says that the explanation is simple: "We do not take partisan positions. All segments participate in our elections. That is how we maintain unity."

The Dieese leader recalled that the campaign for "Direct Elections Now!" and the Cruzado Plan (even though they failed) "showed that everyone has a role to play within society. And that planted the seeds."

[Box, pp 36-37]

When it's time to participate, representativeness is the key word. Let's look at the power and strength of each sector.

Brazil has an economicallyactive population of almost 55 million workers, absorbed by the three basic sectors of the economy—agriculture, industry, and the tertiary sector (commerce and services, which account for about 53 percent of GDP). The labor union movement consists at present of 6,634 rural and urban entities and the business community of 3,546. It is through its leaders that the different segments strive for greater participation in the economy.

The national federations of industry (CNI), commerce (CNC), and agriculture (CNA) represent the greatest number of businessmen. The two principal federations of the sector, FIESP of Sao Paulo and Firjan of Rio de Janeiro, are associated with the CNI. FIESP has 38 regional offices that are active in more than 500 cities in the State of Sao Paulo. The industry it represents is located mainly in Greater Sao Paulo (31,284 factories) and accounted for 43.8 percent of the State GDP in 1986. Firjan has signed up 30 percent of the manufacturing facilities registered in the State of Rio de Janeiro. The CNA expects to be able to increase its sector's share

in national GDP to 12 percent. The 1987/88 harvest may reach 65,886 million tons this year, thanks to good crops of corn, soybeans, and rice. The CNC, which represents the tertiary sector, has experienced the highest percentage growth since the decade of the 1950's (516 percent), which means it is growing faster than the economically active population (211 percent). In 1986, commerce grew more than the GDP—9.89 percent compared with 8.19 percent. Of the 50 largest private companies in the country in 1986, 21 were from the commercial sector. The most important of its federations is the one in Sao Paulo (FCESP), which is the country's biggest market. FCESP has remained united, and brings together five areas of commercial activity: the wholesale trade, retailers, warehouses, tourism, and the hospitality sector.

The financial sector is represented by the National Bank Federation (Fenaban), a trade association that comprises the country's nine bank associations. Under the same leadership is Febraban, the Brazilian Federation of Bank Associations, which represents the 105 banks in business in Brazil. The banking sector has 8.5 million investors today. It is a closed society, which operates very discreetly. In the area of capital markets, the stock exchanges of Rio (BVRJ) and Sao Paulo (Bovespa) are the most representative entities. There are about 12 million investors in the financial market, but only 2 million of them trade on the exchanges each year. In Sao Paulo, 40 percent of the securities traded are Petrobras securities and in Rio, 80 percent are Companhia Vale do Rio Doce securities. Both are government-owned enterprises. The only regulations observed by the stock exchanges, which operate according to their own rules, are those of the Securities Commission (CVM). Opposing government policies for the sector, they are playing hardball in the trading of government-held securities that are being privatized.

On the workers' side, three unions vie for leadership of 54 million workers: CUT, Sole Central Organization of Workers; CGT, General Federation of Workers; and USI, Independent Labor Union. Following different political lines, these organizations disagree on how representative they are. If one were to add up the percentages of workers that the three claim to represent, the economically active class would jump to 75 million workers. The CGT and USI claim to be the legitimate representatives of 30 million workers each. The CUT, more realistic, calculates that it represents 15 million. Projecting itself on the national scene, the recently created National Confederation of Metalworkers (CNTM) disputes one worker category with the CUT. Founded in 1985, but registered only this year, the CNTM claims to represent 1.5 million metalworkers. But, according to CUT figures, its affiliates include 38 unions in important industrial centers such as the ABC, Rio, and Greater Sao Paulo (excluding the state capital), representing 844,185 metalworkers. Finally, there is the Interunion Department of Statistics and Socioeconomic Studies (Dieese), with which the CUT and the CGT are affiliated. This support body for the labor movement gained influence when it began in 1981 to publish real inflation indices during a time when the Brazilian Institute of Geography and Statistics (IBGE), the official government agency assigned to compute the inflation indices, began, at the instigation of cabinet ministers in the economic field, to manipulate the basic data used in calculating the cost of living. Today, Dieese advises the labor movement and is viewed with respect by many businessmen.

[Chart pp 36-37, clockwise from top left]

- Jair Antonio Meneguelli, 41, president of CUT, which includes 1,014 entities and represents about 15 million workers. A metalworker, Meneguelli has presided over CUT since it was founded in 1983. Indicated as the one responsible for the major strikes, the CUT would not agree to participate in the Pact.
- Eduardo Rocha Azevedo, 39, president of Bovespa (Sao Paulo State Stock Exchange). Head of the country's principal financial market, Rocha Azevedo heads a private institution that trades 350 to 400 million securities—worth about 25 billion cruzados—every day. The government and the private sector both trade a huge volume of paper on the Bovespa.
- Luis Antonio Medeiros, 40, president of CNTM and the Union of Metalworkers of Sao Paulo, the largest union in Latin America. The CNTM—founded in 1985, officially recognized by the government only in August of this year—brings together the five existing federations of that category in Brazil, 110 unions, and represents 1.5 million metalworkers.
- Antonio de Padua Rocha Diniz, 62, president of Fenaban, a trade association, and of Febraban, a professional entity. The 105 banks doing business in Brazil are distributed among 9 trade associations. About 750,000 to 800,000 bank workers are employed by these institutions, which include domestic, government-owned, and foreign banks.
- Antonio Pereira Magaldi, 71, president of the USI (Independent Labor Union), which includes about 1,000 unions that represent approximately 30 million workers. The USI, which does not participate in the Pact, was created in 1986 and accuses the other two union federations of being extensions of certain political parties; he argues that the labor movement should not get involved in politics.
- Antonio Oliveira Santos, 62, president of the CNC (National Confederation of Commerce), one of the signatories of the Pact. The CNC has 40 member federations that have a total of 700 unions representing between 1.3 million and 1.5 million companies in the commercial sector. Employment in the sector, which fluctuates frequently, totals some 10 to 13 million people, more than 10 percent of the nation's economically active population.
- Albano Franco, 48, senator (PMDB-SE) and president of CNI. The organization brings together 23 federations and about 700 employer associations. The 215,000 industrial companies in Brazil employ 5 million people. The country's industry is responsible

for 35 percent of GDP; 70 percent of Brazil's exports are manufactured products.

- Alysson Paulinelli, 52, federal congressman (PFL-MG) and president of CNA. The CNA brings together 23 federations, 1,837 employer associations, and represents 5.8 million farmers. The sector employs 25 million workers, which contribute 10.5 percent of the nation's GDP. In 1988, the agricultural trade balance will reach $11 billion.
- Mario Amato, 70, president of FIESP. The organization includes 116 unions. A signatory to the Pact, Amato heads a sector that accounts for 18.97 percent of the nation's GDP. The 53,053 Sao Paulo industrial companies are equivalent to 55.09 percent of Brazil's industrial structure and generate 2,440,421 jobs.
- Abram Szajman, 49, president of FCESP, one of the biggest such associations in Brazil. It brings together 105 unions that represent about 1 million commercial enterprises. He did not sign the Pact. Szajman coordinates a sector that contributes, at the national level, 20 percent of GDP.
- Joel Alves de Oliveira, 41, President of Dieese, the principal support agency for the labor movement. Established by five unions in 1955, Dieese gained a national reputation and now has 1,023 affiliate entities throughout Brazil, including CUT and CGT. It participates in the Pact, furnishing consulting services to the workers.
- Arthur Joao Donato, 64, president of Firjan, which represents 101 unions. Of the 12,000 industrial companies registered in Rio de Janeiro State, 4,000 are members of Firjan and these employ 1.5 million people. Rio's industry accounts for 31.46 percent of the state's GDP and grew by 3.5 percent between July 1987 and July 1988.
- Joaquim dos Santos Andrade, 62, president of CGT, which comprises 1,341 entities (according to 1986 figures), representing about 30 million workers. Since it was created in 1986 (its name then was the Workers' General Headquarters), CGT has had as its president the metalworker Joaquinzao, a signatory of the Pact.

[Photo Captions pp 32-35]

Co-management Doesn't Scare FIESP President

"Co-management? That's the future...Two years ago, when people in my own factory were talking about co-management, I didn't think that was true. Now I view it more openmindedly. When a worker participates in a development process, he becomes a collaborator." (Mario Amato/FIESP).

CNI President Wants Participatory Administration

"Democracy is a system of administering conflicting pressures. The more pressure there is, the more there is for democracy to do. Representativeness means participation. The government can no longer administer the economy by decree. The administration must be participatory." (Albano Franco/CNI).

Soybean King Believes Government Has Made Mistakes

"We rank eighth among the economies of the world, even though our people are needy in every sense of the word. The economy itself requires a more effective participation by the business community and by other sectors in the discussion of the present situation. The government has already made too many mistakes." (Olacyr de Moraes/Itamarati Group).

Firjan Admits: The Worker is Ready

"I have to be frank: from the point of view of expression, of strength of representation, it seems to me that the working class is better prepared now, because of the union experience during the authoritarian era of authoritarianism. Now we, the businessmen, are trying to make up for lost time." (Arthur Joao Donato/Firjan).

President of Bovespa Criticizes the Government

"I believe that the wave of the future is the pulverization of corporate assets, so that the workers can share in them as stockholders. Income might be distributed in that way. A series of government plans, of privatization, will promote the concentration of income." (Eduardo Rocha Azevedo/Bovespa).

CNC Urges A Genuine Dialogue with the Administration

"The colony has to be broken up. Government officials think that the various segments of society are their tenant farmers, but society is not a colony of the government." (Antonio de Oliveira Santos/CNC).

President of FCESP Wants Everyone To Participate

"Brazil is in such a critical situation at this moment, one that demands the participation by all segments. Even by the politicians, within the Pact, so that we can have an institutional and political truce. We need a truce in both the economic and political areas." (Abram Szajman/FCESP).

Cobrasma Wants Business Community To Be More Active

"Representativeness does not mean imposing one's own interests. Representativeness is being able to participate. I wouldn't say that the business community is more representative now, but certainly the degree of participation has risen. Businessmen are not prepared, the workers are ahead of us." (Luis Eulalio Bueno Vidigal/Cobrasma).

The Pact Requires Faith, Common Sense, and Participation

"As society comes to realize that the Pact is a participative act and doesn't promise any miracles, that it is a concerted action, everyone will have the good sense to adopt it. The administration displayed sufficient humility in asking society to participate. (Alysson Paulinelli/CNA).

Medeiros Demands More Energetic Measures From the Administration

"Either the administration submits a concrete plan to put an end to inflation, or the workers will no longer support the Pact. The workers' patience has reached its limit. So far, the administration has avoided hyperinflation, but the country won't stand for an index of 28 percent per month. What has been done so far is not enough." (Luis Antonio Medeiros, speaking at the latest meeting of the Social Pact).

CGT Won't Give Up the Constitutionally Guaranteed Right To Strike

"I'm in the Pact. But if they ask me at the negotiating table not to call strikes all I'll be able to do is reject the idea vigorously or, if that becomes a condition for an agreement, leave the room. You can't take away from the working class what it won under the new Constitution. The political parties, the Congress, are the ones who have the duty to ensure institutional stability. And I also say this in my capacity as an alternate for Senator Mario Covas." (Joaquim dos Santos Andrade, "Joaquinzao"/CGT).

With Its Statistics, Dieese Is Labor's Data Bank

"Dieese does not have a partisan political position. That guarantees that we have a united way of handling things. And everyone wants to preserve Dieese for the good of the working class itself. The government cannot have such an organization, because it has no credibility. If it did have, there would be no reason for Dieese to exist. The labor movement would not have to have such a large economic effort available to it." (Joel Alves de Oliveira-/Dieese).

CUT President Makes His Party Choice: He's an Avowed PT Follower

I'm a member of the Workers Party. The unions affiliated with CUT are entitled to chose a party just like any citizen does. What they can't do is use the union machine for campaign purposes. I don't believe that it is wrong for a union leader to express a political choice like other people do. I always defended politics as a way for the worker to have a greater role in the country's destiny. Union leaders can run for election, can opt for that route." (Jair Meneguelli/CUT).

USI Representative Opposes Multipartitism: Wants Unification

"I'm against the union federations having a partisan political connotation. The CUT is an extension of the PT and the CGT of the PMDB. I voted for Maluf because he would be a way of preventing a one-sided radicalization. This proliferation of parties makes us very divided, which was necessary at one time. A proliferation of political parties is not very good for a developing country. We need to work toward unification." (Antonio Magaldi/USI)

Chile

Bank Says U.S. 'Best Trade Partner' in 1988

PY1102174789 Santiago Domestic Service in Spanish 1600 GMT 11 Feb 89

[Summary] The Chilean Central Bank has reported that the United States was Chile's best trade partner in the first 11 months of 1988. During that period, the two countries traded goods worth $1,842,000,000. The trade balance favored Chile by nearly $340 million.

Liberal Democratic Party Registration Canceled

PY1402211289 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 14 Feb 89

[Text] The Electoral Service has canceled the registration of the Chilean Liberal Democratic Party because that political organization did not comply with Article 7 of Law 18,603. That law establishes the deadline for political organizations to submit the documents required to qualify them as political parties.

O'Higgins Military School Gets New Director

PY1102012089 Santiago Domestic Service in Spanish 2200 GMT 10 Feb 89

[Summary] Artillery Colonel Guillermo Sanchez Rojas was appointed Bernardo O'Higgins Military School director. He replaces Colonel Eugenio Covarubias Valenzuela, whom Pinochet appointed military attache at the Chilean Embassy in Colombia.

* State Cites PCCh for Security Law Violations

33480093b Santiago ANALISIS in Spanish 19 Dec 88 p 21

[Article by Patricia Collyer: "Charging the Communist Party With the Crime of Existing"]

[Text] Last 10 December, while the whole world was celebrating Human Rights Day, the defeated government of General Pinochet was once again attacking the Chilean Communist Party. The charge? "The Communist Party is committing a crime simply by the fact of its existence," as Ambrosio Rodriguez, attorney general of the republic, put it.

To justify its charge, the Ministry of Interior, through Rodriguez, invoked the State Security Law (LSE). It accused the Communist Party of committing five criminal acts set forth in this legal text when it announced, at a press conference, the text of the document drafted by the Central Committee of the Communist Party as the convocation for the 15th congress of that party.

Initially, a petition was filed for injunctions against those who held the press conference on Tuesday, 6 December (Mireya Baltra, Guillermo Sherping, Americo Zorrilla and Jose Sanfuentes). They were charged with "inciting subversion; advocating the overthrow of the government; encouraging armed rebellion; and instigating disobedience in the Armed Forces."

The handling of the case was assigned to Judge Domingo Kokish, recently appointed to replace Magistrate Osvaldo Faundez, because he was on court duty at the time. Kokish served earlier as the reporter for the Supreme Court. "An honest man, very serious and open," ANALISIS was told. In the summons, Rodriguez indicated that the Communist Party was an "illegal association. on the basis of the judgment handed down by the Constitutional Court in 1985," and that, therefore, "Its actions are illegal." Added to this, he said, were "its appeals for violence and its praise of the FPMR [Manuel Rodriguez Patriotic Front]." He asked that the sentence of "civil death" be reimposed, arguing that "There are sectors which are excluded from our political life and are deprived of the right to participate in the decisions the country is preparing to make."

These statements cast considerable light on the origin of the "new wrath" of the government, as the Communist Party has termed it, against this group. One cannot avoid associating the case with the establishment of the Broad Party of the Socialist Left (PAIS), the instrumental body through which the United Left will participate in the next electoral contest.

A little farther along, the government expanded its charges to "all of those who are responsible for the alleged crimes, as authors, accomplices or concealers." When Attorney General Rodriguez was asked whether this was a "hunt" directed against the Communist Party, he denied it emphatically. "It merely represents the application of the prevailing juridical system. The government is not seeking to punish or 'hunt down' anyone." However, it must be remembered that this complaint is added to others filed against three press organs, including ANALISIS, which published the Communist Party appeal to vote "no" in the plebiscite.

Therefore the facts do not seem to fit with what he says. On Tuesday, 13 December, Rodriguez announced that he had submitted to Judge Kokish a list of eight other members charged, and that an effort would be made to try "the entire Central Committee" of the Communist Party. Minister Produje added to the concept of a "hunt." "If the communists persist in their actions, they will have to face the consequences."

That same Tuesday, 13 December, party spokesmen Sherping, Sanfuentes and Zorrilla held another press conference. They said that the charges "violate the sacred right of freedom of thought," and that the Communist Party reaffirmed its decision to "wage a tireless battle for the elimination of Article Eight and the entire institutional system of the dictatorship." They appealed for the right to exist and to state their views, saying that "What irritates Pinochet and his regime is that despite the brutal violence used against them, the communists have been and continue to be a decisive force against the dictatorship. The reason for the wrath of the dictator," they added, "is that the 15th Communist Party Congress will be an exercise in political honesty, a face-to-face discussion with the people." The next day, Attorney General Rodriguez asked for seizure of the Communist Party's printing press, a request which the minister implemented in summary fashion.

As this issue goes to press, it has been learned that Kokish had issued about 30 summonses by the end of this week, but there were to be no arrest warrants. As a result, three of those publicly known to have been charged have hired defense lawyers. Sanfuentes will be defended by Alfonso Inzunza, Sherping by Juan Pavin, and Mireya Baltra by Jose Galiano. The last individual mentioned told ANALISIS: "My defense will be based on the fact that no crime has been committed, because the text in question is merely a complex of options to be discussed. And if the analysis of ideas and theses is restricted, it will mean a return to the Dark Ages." He also explained that the penalties for each alleged crime range from 541 days to 3 years in prison, with possible banishment or exile, but the government could not claim justification for five penalties "because the charge is based on a single action. Otherwise," he said, "we would lapse into the absurdity of sentencing an individual simultaneously for 'murder,' for example, and for 'bodily injury resulting in death'."

* Communist Party Congress, Policies Examined

33480093a Santiago QUE PASA in Spanish
22 Dec 88 pp 10-11

[Article by Ana Veronica Pena and Martita Fresno: "The PC Thesis—The Path of the Revolution"]

[Text] If it was publicity they sought, they obviously got it. Even a poor communist congress is not your everyday occurrence.

The congress being held now has been awaited for 15 years.

The congress had not been under way for even a day when the main issue came up. On 6 December, communist leaders Jose Sanfuentes, Mireya Baltra, Americo

Zorrilla and Guillermo Sherping presented the basic document in the course of a press conference. This text serves as the convocation for the congress which will analyze the amendments to the bylaws and will elect the members of the Central Committee. Therefore, they stated, "It is necessary to promote discussion in cell assemblies and local and regional congresses, to culminate in the congress on the national level."

In this document, the communists reassert and justify the pursuit of the violent path as a method of political action; their "initial" link with the Manuel Rodriguez Front [FMR]; the need to train military groups; their concept of democracy, which is antagonistic to the traditional one; and their firm determination to support armed struggle.

Reactions were not long in coming. Furious attacks came from all sides—even from their best friends, the leftists. This put them in serious difficulties. As has rarely happened, the there was agreement among the criticisms, which condemned the Communist Party's reiterated enthusiasm for the thesis of "popular rebellion," which was described as dangerous, lacking any theoretical or practical support, and completely outdated.

On Saturday, 10 December, the Ministry of Interior, through its attorney, Ambrosio Rodriguez, filed for an injunction against the individuals who held the press conference. This action was based on the alleged commission of the following crimes covered by State Security Law 12927: inciting subversion of the public order; inducing the Armed Forces to disobey those in command and authority; aiding and financing the organization of military groups or private militias; propagating and promoting violent doctrines and justifying doctrines urging violence as the means of seizing power.

At this point, the criticisms were not all the same. The Renewal movement and the Independent Democratic Union (UDI) stated that democratic coexistence with organizations which "publicly and emphatically" advocate violence and armed struggle is impossible.

Social democratic leader Mario Papi said: "It is interesting that the Internal State Security Law was invoked, because the Communist Party document would be challenged by any halfway responsible government whatsoever, and in a democracy, moreover, it could be prosecuted under the existing laws.

The Christian democrats had a different view. "We oppose all measures which persecute ideas or thinking, rather than conduct. In a true democracy, ideas cannot be persecuted, and this is what the government is doing." Anibal Palma maintained that the injunction is a part of the "escalating repression initiated by the government beginning with its defeat in the plebiscite." But in general, the communists have had few defenders. As a socialist from Almeyda said, "One finds all kinds in the vineyard of the Lord. There is some effusive support due to a sense of obligation. Everything will depend on whether they utilize Article Eight, because this would concern us as well. In such a case, they would have much greater support. There is an intermediary interest."

In the opinion of Luis Maira, president of the Broad Party of the Socialist Left (PAIS), the government court action "has to be a farewell gesture on the part of those who know that Article Eight will come to an end with this government." He makes little distinction between this polemic constitutional article and the Internal State Security Law being utilized here. "This is legislation dating back almost 30 years, which will have to be reviewed and updated." The heart of the matter for him lies in the fact that "There has been no transition in any part of the world from an illegal Communist Party, and so sooner or later the Chilean Communist Party will be legalized."

For the Almeyda socialists, there is another important point as well. "If we endorse or accept this persecution of the communists, it is like accepting our own persecution, as well." It should not be forgotten that both the Communist Party and the Movement of the Revolutionary Left (MIR) were declared unconstitutional on the basis of Article Eight, pursuant to a petition filed by the UDI against the Popular Democratic Movement (MDP).

The situation was not an easy one for the government. The most recent public actions by the communists constituted an open challenge of Article Eight. If they were ignored, it would have been implicitly understood that no legislation with such a tone could be applied during a transition period. The decision was a difficult one, but the matter was cleverly handled by the Ministry of Interior. For the time being, there is no Article Eight. Instead, something much less polemic was utilized. The existence of the Internal State Security Law predates the present government, and although it has undergone changes in these past 15 years, the provisions to which the injunction refers are of an earlier date.

Despite the announcement that the entire Central Committee of the Communist Party will be put on trial and that the seizure of various materials, even "the printing office," has been ordered, the communists have not despaired. They give assurance that they will continue with the schedule for the congress and that the discussion is proceeding normally in its first stage, in the cells. There is minimal and basic unity on the lowest organizational level, where the polemic document is being discussed. This process is scheduled for completion on 25 January, when the local congresses will begin, followed by the regional congresses and culminating in the holding of a national congress at the end of February or in the first half of March. Obviously, there are those who say that there will at least be postponements, as a minimum price for their boldness.

In the view of the communists, the essential aspect in the injunction affair is not the judicial one. It is the political content of the government action which concerns them. "Therefore, our campaign will not be on the legal, but on the political, level," leader Jaime Inzunza explained to QUE PASA. He gave assurance that each of those named in the injunction will appear to testify. Of course, as this issue went to press, none of them had received a summons.

It is a question of putting Article Eight and the laws supplementing it in the center of the discussion. This is a way of clarifying things and introducing a more radical aspect into the program of the opposition. In other words, the revocation or amendment of the legislation in effect is something which needs to be resolved now, and not later. "It is our hope that we can rely, in this connection, on all of the opposition which has consistently evidenced opposition to these institutional norms," Inzunza said.

Without a doubt, what has been most forcefully challenged by the rest of the left wing has been the communist insistence that the conditions for Mass Popular Rebellion (RPM), with the armed component in the social struggle identified as a basic ingredient, still exist in Chile.

"The plebiscite showed that the political defeat of the military regime is the path of change in Chile. Thus we are focusing all our efforts on using the right enjoyed by the left wing to participate in the electoral struggle," a socialist said. Without a doubt, this statement has greater support in leftist circles than do the communists' arguments.

Maira even went farther, with the following assertion: "If the Communist Party approves the ideas set forth in this convocation, there will without a doubt be a widening gap." The fact is that in his view, one cannot have everything. The military struggle does not serve the political struggle. But he explains that this does no harm to the PAIS. It does harm the left wing, because the Communist Party "continues to be an important party on the left."

But the military policy of the Communist Party is not the only aspect being attacked. In the opinion of the president of the PAIS, the communist analysis of the failure of the Popular Unity (UP) government is not correct either. The fact is that for the rest of the left wing, the problem was not the military forces issue, but rather political consensus.

There is similar criticism with regard to the defeat in the "year of decision" (1986). It was precisely what happened that year, "the last remaining before the institutional calendar went into effect," which showed that "The path being pursued was leading to political defeat." In his judgment, advocacy of free elections is again a pertinent issue. "The plebiscite was a minor subterfuge," he said.

For the communists, on the other hand, it is not a question of choosing between political struggle and military struggle. It is a question of continuing to give priority, based on the circumstances, to the component in "all forms of struggle" which seems to them best suited to the situation.

Juan Carlos Concha, a former militant in the Unitary Popular Action Movement (MAPU) and a former minister of government under Allende, who describes himself as one of the "friends" of the Communist Party in the PAIS, has said in justification of the use of political violence that "Violence had its origin on 11 September 1973." He went further, paraphrasing Monsignor Romero (who died in El Salvador) and stating that "Violence does not originate with the people, but with powerful individuals, when they sense that they are losing their power."

Things have not been easy for the Communist Party either. The criticisms made of the basic document have been forceful and extremely varied. The reaction of the government, although not surprising, has complicated matters somewhat. And as if this were not enough, the discussion within the party is intensive. The winds of change are blowing. It will be difficult for the Communist Party to return to its historic channel. Not after the FMR, the affair of the arsenals and the attack. Although they failed, they left their mark.

Colombia

Guerrillas Kidnap 10 Policemen, Attack Boat

PA1402164589 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 13 Feb 89

[Text] Police and Army units led by 3d Brigade Commander General Manuel Jose Bonett are pursuing a Simon Bolivar Guerrilla Coordinating Board column that had attacked Valencia, Cauca, kidnapping 10 policeman and one noncommissioned officer.

Police and Army units are combing the lagoons of Magdalena and Cusiyaco to find the guerrillas that perpetrated the attack. It was reported that 100 guerrillas seized Valencia, while 200 more surrounded the town, shouting: First we will take the pimps and later we will take the stool pigeons. This frightened residents.

[Begin unidentified speaker recording] The police tried to beat them back as much as possible. The poor things did everything they could. They really could not do much because there were so few of them—only 24. [end recording]

Cauca Governor Cesar Negret Mosquera and the 3d Brigade's Gen Bonett inspected the area and informed residents that they will receive cooperation, assistance, and protection.

[Begin Bonett recording] Public order in Valencia has been completely disrupted because the attack 2 days ago by FARC and ELN [Army of National Liberation] guerrillas completely destroyed the police garrison and two neighboring houses. The residents are nervous and have asked us to leave units there. The people are frightened and worried. Public order here in Valencia has been completely disrupted. [end recording]

Five students from the Almaguer school were arrested for having made two coded telephone calls through La Vega, Cauca on the night of the attack.

The guerrillas said that they would not harm the 11 captives. The guerrillas reportedly said that all they want is to send through them a communique to the Presidency of the Republic.

It was also reported that operations are under way in Bolivar Department to find the ELN column that had attacked "La Soberana," a boat that was sailing from Magangue and Guaranda. Five passengers were killed in the attack. Most of the 100 passengers on the boat that left Magangue last Saturday at 0900 destined to arrive in Guaranda at 0500 on Sunday were merchants.

[Begin recording] [Unidentified crewman] We did not know what was going on when the shooting began. We did not know who was shooting—guerrillas or soldiers. A man next to me was wounded, and I was wounded in the leg.

[Reporter] When did the attack begin?

[Crewman] At about 2100. It lasted about 3 hours.

[Reporter] Did you see how many people were involved in the attack?

[Crewman] No, it was dark. I could not see. [end recording]

Paramilitary Group Kills UP Leader in Santander

PA1502032089 Hamburg DPA in Spanish 1731 GMT 14 Feb 89

[Text] Bogota, 14 Feb (DPA)—The authorities have reported that a Patriotic Union [UP] leader has been killed in Rionegro Municipality, Santander Department, in northeastern Colombia.

According to the report, Pablo Casallas Trujillo was shot to death in his residence by two men who allegedly belong to a rightist paramilitary group in the region, which is one of the most troubled areas of Colombia.

The murder occurred at the same time as the killing of Francisco Dumar Mestre, vice president of the Colombian airline Avianca, who was a UP activist.

Thus far this year, rightist paramilitary groups have killed 16 members of the UP, which is the largest leftist party in Colombia.

Paraguay

Japan Recognizes Provisional Government

PY1402210989 Asuncion ULTIMA HORA in Spanish 14 Feb 89 p 13

[Text] Today in Tokyo, government officials reported that Japan has recognized our country's provisional government. According to a press agency report datelined in Tokyo, Japanese Foreign Minister Sosuke Uno has instructed his ambassador to Asuncion, Goro Nakasone, to accept the diplomatic note certifying that General Andres Rodriguez has assumed the post of Paraguay's provisional chief of state.

According to Foreign Ministry sources, Rodriguez' government continues to receive recognition from nations throughout the world.

The U.S. Government recognized the new government last week.

Rodriguez Urges Youths To Forget Past

PY1302222689 Asuncion ULTIMA HORA in Spanish 13 Feb 89 p 7

[Excerpt] The Republic's provisional President, General Andres Rodriguez, this morning at Lopez Palace received the Colorado Youth Central Committee, which is headed by Jose Alberto Alderete. With emotion, he expressed gratitude for the committee's visit and pointed out that the fatherland's hope for the future is in the hands of the youth. He proposed: "Let us finally leave behind the idea of splits within our party. Let us unite our efforts, our thoughts, and through our love for this country increase our nationalism, so that our beloved Paraguayan people may benefit from our actions."

Gen Rodriguez praised the work of those who dedicate their lives to agricultural work, and "those who forge the Paraguayan's people happiness," adding that "We must help them make a living from their own work." He emphasized: "In accordance with our duty as Paraguayan citizens, we must unite our minds and hearts to continue working for the welfare of our people."

President Rodriguez also said: "We are in debt to our country." He called on the youths: "Let us try to forget the past and look to our country's current and future situation. We cannot build anything if we have our minds set in the past instead of looking to the future. Let us forget our past disputes. Let us unite our hearts and embrace each other and start holding talks. Jesus Christ has taught us to forgive the sinner. If there had been no God, no Christ, there would have been no sin. At some time we may have insulted our friends, but these friends will understand and forgive us. For this reason, I offer

you my brotherly and cordial embrace. Together, we will build this country which needs its good children so much," Rodriguez said. He then expressed his thanks for Alderete's message, which was delivered in the name of the Colorado youths. [passage omitted]

Laino Addresses Rally; Comments on Elections

PY1302185289 Asuncion RPC Television Network in Spanish 1447 GMT 11 Feb 89

[Speech by Domingo Laino, president of the Authentic Radical Liberal Party and leader of the National Accord, to a rally held at the Plaza de los Heroes in Asuncion—live]

[Text] Countrymen: Here lie the heroes of our nation. Yesterday we were making sacrifices and many gave their lives to oppose the oppressive political model of the tyrant Stroessner. [shouts] On 2 and 3 February, many young countrymen lost their lives. In their memory I ask for a minute of silence.

Thank you, countrymen. I am taking the rostrum at this historic moment of the Republic as a representative of the democratic forces gathered under the umbrella of the National Accord of Paraguay—the Febrerista Revolutionary Party, the Christian Democratic Party, and the Authentic Radical Liberal Party. [shouts, aplause]

Workers, peasants, students, women, youths; illustrious foreign personalities; delegations from the Argentine Republic, Taiwan, the freedom fighters of Brazil, Chile, and Uruguay; and distinguished personalities from the United States of America who are on the 6th floor of the Guarani Hotel watching us—namely, the former governor of Arizona, the distinguished Congressman Morrison, and that excellent defender of human rights, Robert White, ambassador under former President Carter to our country. [shouts] Let's us greet them, countrymen.

In front of the fatherland's supreme altar, we have asked you to gather to let you know that we identify with the suffering, sacrifice, and aspirations of the people who heroically resisted the tyrannical dictatorship of Alfredo Stroessner. [shouts, applause] The sacrifices we have made impose on us the inescapable commitment to win freedom, democracy, and social justice for the fatherland [shouts, applause] We cannot begin this process, which raises so many hopes in the Paraguayan people, without demonstrating a reasonable spirit of equality and fairness toward all the political and social forces. The provisional president himself has said that the solemn commitment before the Republic is that the enforcement of human rights demands an authentic democracy and not merely a facade. And we know that this presupposes equal opportunity for everyone, without privileges for anyone. And this is exactly the purpose of the provisional government.

The proposal I now make on behalf of the political and democratic opposition forces is absolutely consistent, and it can lead to a dialogue to clarify the situation and win the confidence of the national and international community. [shouts, applause] Despite the difficult situation of an opposition systematically persecuted for decades by the Stroessner dictatorship, we have confidence that we will triumph, because we are attuned to the authentic popular interests and we are, as you are, authentic fighters for democracy. [shouts, applause] To assure victory, we Paraguayan democrats must commit ourselves not to allow today's political liberalization to force us into the political arena in a position of absolute inequality. We cannot allow such a unilateral imposition. The constructive and patriotic dialogue that the democratic forces of Paraguay demand must take place. [shouts, applause]

We can swear before this crowd, on our honor, that we will not allow—never—the possibility of a new mockery of the Paraguayan people. [shouts]

Countrymen: The current political situation demands from everyone the utmost patriotism and maturity. The Paraguayan opposition publicly expresses its great goodwill to overcome difficulties and obstacles as the country's democratization gets underway. Just as we express our good disposition and open spirit, however, we expect an identical attitude from the national government, so that we can negotiate the rules of the game that may signal promising hopes for the future after the overthrow of the Stroessner dictatorship. [shouts, applause]

Allow me to paraphrase a world-class democrat to tell the government and the national and international public that we do not want to dialogue or negotiate out of fear, but we do not fear to dialogue or negotiate. [shouts, applause] In this frame of mind I will make a proposal on behalf of the forces I represent before this large and magnificent rally. Let these proposals be considered by the government in the same frame of mind with which we make them.

Countrymen: We want to banish from this Republic the farce, trickery, maneuvering, and fraudulent elections which characterized the corrupt and repressive regime of the defeated tyrant Alfredo Stroessner. [shouts, applause] Faithfully interpreting the deep aspirations of the civilian society and of the ever growing democratic sectors of the nation's Armed Forces, and giving credit to the provisional president's public commitment that the purpose of the insurrecton is to provide minimum conditions of equality to the political community, the national accord demands: 1) A longer deadline for the elections. 2) The modification of the electoral law and the participation of all sectors in drafting the modification, especially in the drawing up of a new electoral

register. 3) The dismantling of the repressive apparatus and the abrogation of the freedom-stifling laws nos 209 and 2924. 4) A national commitment to the calling of a constituent assembly.

We are making these demands, moved by a constructive spirit and by the desire to engage in a dialogue because we believe these measures will be instrumental in effectively promoting a sincere, true, full, participatory, pluralistic democracy. [applause]

We ought to make it clear once and for all that the opposition will maintain its desire to cooperate as long as no attempt is made to restore the nefarious, antipopular Stroessnerist model. [applause]

Never again should we experience torture, theft, corruption, or violence among Paraguayans. Let us end arbitrariness, theft, and deceit in our country [preceding sentence given in Guarani].

We urge the Colorado Party to promote a clean, honest, and civilized electoral process. We are prepared to compete democratically and sincerely if everyone has an equal opportunity. [applause]

Under these conditions, we will go to the polls. Under these conditions, our courageous, united people represented here by this large crowd—and by the large number of Paraguayans residing outside the country—in an open process will elect their leaders and will participate in shaping their own destiny. Let us not fear the people's will. Let us not fear the free vote of our people. [applause] [crowd shots: We can feel it! Laino will be president!]

Fellow countrymen. On this great occasion in which I am addressing thousands of Paraguayans and distinguished personalities from the United States, Venezuela, Argentina, Uruguay, Taiwan, and Brazil, we cannot fail to remember with profound grief the hundreds of Paraguayans who died in the long struggle against the Stroessner dictatorship and those who gave their lives during the 2-3 February coup. We extend our profound, heartfelt condolences to parents and relatives of those who shed their blood. We cannot and must never betray the blood generously shed by those heroic freedom fighters and by innocent young soldiers, conscripts, and policemen. [applause]

The bloodshed should help us to prevent the continuation of an oppressive, unpopular model. The people, who took to the streets to celebrate the ouster of this model, will never permit its restoration.

A few days ago, here in this historic place, this historic place where the remains of our forefathers lie, a multitude that gathered spontaneously demonstrated the happiness of a people who were celebrating the end of a tyranny. On that occasion Paraguayan military men were applauded for having interpreted the desire of the citizens. And I say in the name of the national accord: The Paraguayan Nation's Armed Forces have begun to walk together with the people, and their historic responsibility is that of being part of that people without flying party banners. [applause] The Armed Froces of the nation: with everyone and for everyone—because they are the nation's men of arms, who should never identify with one man or political party. [applause]

The ray of hope that began to shine the night of 2 February should not go out. This beginning must lead us to a satisfactory tomorrow for all national sectors. Tomorrow, we must have a true, democratic society on Paraguayan soil. [applause]

Finally, I am absolutely certain that future generations, in looking back to this historic time, will admire those who are here today and those who are listening to us from distant points of our country because we were capable of building democracy, of shaping the future, of strengthening our Republic, and of taking the greatest pride in being Paraguayans. [applause]

To close, dear countrymen, let us not forget: Alone, we are weak; together, we are strong. [preceding sentence in Guarani]. From now on, let us remain strongly united until we win full democracy, freedom ,and bread, to which the Paraguayan people are completely entitled. [applause]

Election Postponement Urged

PY1402181289 Asuncion HOY in Spanish
14 Feb 89 p 11

[Text] Yesterday, the National Accord submitted a note to the Interior Ministry. In it, the National Accord officially requests the postponement of the elections "for a reasonable period that will be established in a constructive dialogue."

The note expresses the urgent need to amend the electoral law. It adds that it must be amended with the participation of all sectors. The note also states that new electoral registries must be established, that the repressive apparatus must be dismantled, that repressive Laws 209 and 924 must be repealed, and that a national constituent assembly must be called.

It adds: "We request a postponement of the elections to allow a multiparty commission to draft an electoral law and a new national civic registry."

The note states: "It is well known that the electoral system is highly criticized because of the electoral registries, which have accommodated frauds before during the holding of elections."

The note adds: "We believe that if our request is accepted the government's willingness to democratize the country will enjoy more credibility among the people.

"The provisional president said that one of the objectives of the coup that ousted dictator Alfredo Stroessner was the democratization of Paraguay. We believe the date established for the election undermines the achievement of this objective.

"Moreover, it is obvious that in view of the coup, Chapter 8 of the Constitution, which regulates activities pertaining to the Executive Branch, takes effect, particularly Articles 179 and 182."

"The calling of elections for May, with the political structure, electoral apparatus, and political conditions left by the ousted dictatorship, will not allow our parties to participate in a serious manner in the elections based on equal opportunity without discrimination, as was stated by the provisional president."

MOPOCO Leaves Opposition National Accord

PY1402184489 Asuncion HOY in Spanish 14 Feb 89 p 9

[Text] According to Marcelino Correa Martinez, leader of the ANRER, National Republican Association in the Exile and the Resistance, who returned from Montevideo on 9 February after 29 years in exile, the Colorado Popular Movement (MOPOCO) yesterday announced during a meeting with other Colorado Party factions that it was officially leaving the National Accord, a coalition that includes the Febrerista Revolutionary Party and factions of the Liberal Party.

The MOPOCO has decided to leave the National Accord, and the decision was announced during a meeting we held with Colorado Party factions, Correa Martinez said.

It is an important step that will make the party unification—particularly that of Colorado Party opposition sector—easier, Correa Martinez said.

The move could not be confirmed at the Colorado Party headquarters last night. Colorado Party leader Hugo Pena said the executive board had not received any official notification from the MOPOCO as of 1900.

The name of the MOPOCO was no longer mentioned during the 11 February meeting of the National Accord.

Political Figures Comment on Recent Events

PY1402140089 Asuncion RPC Television Network in Spanish 2330 GMT 13 Feb 89

[Panel discussion hosted by journalist Christian Nielsen during "Actualidades 13" program, with the following guests: Colorado Party Vice president Edgar Ynsfran, Christian Democratic Party President Jorge Dario Cristaldo, radio journalist Humberto Rubin, Authentic Radical Liberal Party President Domingo Laino, and Febrerista Party President Euclides Acevedo—live]

[Excerpts] [Passage omitted] [Rubin] Dr Ynsfran, please tell us how far in advance you were aware of the coup on 2 February?

[Ynsfran] I was already aware of many details by the end of December.

[Rubin] You were not aware of the date? This is a historical program. I believe that...

[Ynsfran interrupts] We went on full alert in December 1988. To be more accurate, it was 28 or 29 December.

[Rubin] Why? What happened?

[Ynsfran] We began to receive very clear signals.

[Rubin] Like what?

[Ynsfran] We were told to hide. In addition, we obviously had other contacts. Luis Maria Argana was about to arrive at any time. The state of alert intensified during the first days of January, when we were receiving direct and very important reports. There were 2 D-days which failed, I should say, action planned for those days was suspended. One of those days was the Saturday before the coup, which was staged later, on Thursday, 2 February. The action was suspended because of a strategic move by the office of the Armed Forces commander in chief; Stroessner announced his trip to the FRG to undergo recuperative medical treatment. According to the information we received, Stroessner was planning to take Colonel Lino Oviedo with him. Oviedo is an Army officer who heads the motorized unit of the 1st Army. Oviedo had been to the FRG on a scholarship and he speaks German. Stroessner wanted to take him as an interpreter. When I received this information which was quickly passed to me, I thought it was a strategic move and this is what I told my friends, who in turn passed on this comment....[does not complete thought]

[Rubin] So the action was suspended.

[Ynsfran] No, the action had already been suspended, and we had already been told about the suspension. They agreed with me, because I said that this was a strategic move. It was obvious.

[Rubin] What about the second D-day?

[Ynsfran] The second D-day was the following week. We were on full alert on Sunday and we had to hide at times, because we were running the risk of a reaction or a counter-coup, which Stroessner was actually planning.

[Rubin] Was Stroessner aware of everything?

[Ynsfran] Look, if we were aware of so many things, how could he—the man with boundless powers who always knew everything—be unaware of all that?

[Rubin] Why didn't he put everybody in jail?

[Ynsfran] He probably underestimated the intensity and strength of the wave that was to wipe him out.

All of us are aware of how things finally went. We received a final warning that Dr Chaves, Dr Argana, and myself should hide. We did so and we spent hours in considerable distress because the coup was not staged on Thursday, as was initially planned. The coup, however, was finally staged Thursday evening.

The main factors that led to the coup appeared in the week: On Monday, Armed Forces Chief of Staff General Alejandro Fretes Davalos reported the replacement—on orders from the commander in chief of the Armed Forces—of Colonels Diaz Delmas and Regis Romero. This was an obvious act of aggression against the 1st Army, to which General Andres Rodriguez apparently agreed. He also agreed to the proposal that he should analyze the replacements with the president.

During a 1st Army command meeting Gen Rodriguez reported the repalacement of the two colonels, adding that for the commander in chief, the assignments of the two colonels were over, but that for him, they were still in effect. This was practically a rebellion, which marked the beginning of the preparations.

[Rubin] When did that happen?

[Ynsfran] That must have been on Tuesday, 31 January. The commander in chief's order was communicated on 30 January. The meeting at the 1st Army must have been held on 31 January.

[Rubin] And despite all that, Stroessner did not take any action?

[Ynsfran] Despite all that.

[Rubin] How strange.

[Ynsfran] Well, he probably did not have much information on the subject.

[Rubin] But he knew there was a rebellion.

[Ynsfran] There was even another provocation by Stroessner: In the afternoon of 2 February he ordered a raid on Gen Rodriguez' house. This prompted the immediate movement of the tanks, and the coup was staged earlier than planned. The first action was undertaken against the Silvio Petirossi unit, which is the Air Force unit, while some of the tanks released Gen Rodriguez' house. The rest of the tanks advanced on downtown Asuncion. The coup was staged much earlier than planned.

[Announcer] I believe Dr Cristaldo wanted to say something about this.

[Cristaldo] Yes. Dr Ynsfran, I believe your statements are very important. I am concerned, however, about the so-called civil-military movement. I believe this was actually an Army coup and this is what Gen Rodriguez said in his proclamation. I felt concerned that one of his objectives was to reach total unity within the ruling Colorado Party. I believe this is a matter of concern for democratic people, because this seems to be the same thing that happened when Stroessner took power. I understand that for strategic reasons this objective had to be proclaimed before and during the military action, in order to prevent an uprising by the militant faction of the Colorado Party, and so forth. Yet now that the action is over and a solution has been found, I believe the above objective is inappropriate, taking into account the other goals which the government has proposed, like the beginning of the democratization process and the unrestricted respect for human rights. These goals are not compatible with the objective of reaching unity within the ruling party. I believe that, taking into account the Stroessnerist dictatorship, this position is not advantageous even for the Colorado Party itself. It also alerts the opposition and the independent sectors. It is a clear matter for concern, one on which both the government and the Colorado Party should adopt a clear position, so that all parties may enjoy the same opportunities. All parties and all the people want to participate. Democracy is impossible without participation. [passage omitted]

[Ynsfran] Let me answer Dr Cristaldo's question, not on the ground that I have the right of rebuttal but because of the respect I have for the opinion of Dr Cristaldo, whose remarks may well be reasonable. Let me say, however, that if the president mentioned this objective in his proclamation, it was because he was calling upon a party which had been obviously cooperating with his military victory and with his presidential designation. Your opinion deserves respect, Dr Cristaldo, and we hope there will also be a similar call to the Liberal Party and to the Febrerista Party. I hope—and God willing—the president will do this soon. Obviously, he will do this at the right time.

At the time of the coup, however, he made the call to the Colorado Party in view of the circumstances. I believe this was reasonable, taking into account the main role played by the Colorado Party. [passage omitted]

[Acevedo] Dr Ynsfran, I would like to comment on your remarks. Based on what you said, everything seems to indicate that the Armed Forces have tuned in the frequency of civil and political sectors, and decided to stage this coup driven by the factors that you have just mentioned. If this was the real driving force of the Armed Forces, which staged a coup in which you and other Colorado Party figures played a significant role, why have the elections been called in such a hurry? The current circumstances give legitimacy to a position of consensus, disregarding the dealines established by the Constitution. There are strong indications that this hasty call for elections will benefit only one political sector, namely, the Colorado Party. If all of us played some kind of role in the process that led to the coup, isn't there a chance of reaching a legitimate agreement—even though this might seem a step backward—based on a consensus

and on dialogue for postponing the elections? Such a measure would not be a favor that the government would be doing for the opposition, but for the entire country, because the postponement would help meet the prerequisites of an election that should be free. That is why I believe that politicians, after that formidable experience [of the National Accord demonstration] in front of the memorial on Saturday, have the responsibility to take things even more seriously, allowing for the participation of the people. We should not seek only the legitimacy of the Constitution, which is a sort of badge to be worn on one's chest whenever it is advantageous. Dr Ynsfran, I would like to know why such a hurry?

[Ynsfran] I will try to answer your question, and I will do my best. As you know, I was not directly involved in the decisions for the date of the elections. The main reasons, however, is that a solution had to be found to a totally de facto government where the executive and the legislative branches were abruptly eliminated. We were practically without a legitimate government. Consequently, those who made the decision considered the need to establish a deadline, and I believe the deadline is established by Article 179 of the Constitution. On the other hand, there were suggestions from foreign sources, which, so to speak, were the new government, to rapidly call for elections. This situation must also have influenced the government.

Anyway, we have already talked about the possibility of postponing the elections with you, with Dr Laino, and with Dr Cristaldo. My suggestion was to propose the postponement of the elections to the Interior Ministry, and I think that this is what you have done. I believe that we obviously...

[Acevedo interrupts] The National Accord did it today.

[Ynsfran] So it was done today. This means that you have agreed to a suggestion, and I thank you very much for following my suggestion. Anyway, the issue will be solved by the government. I will not solve it because I do not have decisionmaking power. If I can have some influence I will do my share.

[Acevedo] Do you agree with the postponement of the elections?

[Ynsfran] You know that I had a predisposition to set a longer period before the elections. Yet I do not believe that a longer period would guarantee by itself that the elections would be totally free. I believe that you are aware of it yourselves, because of the limitations, and the inertia of such a long time.

Also, it is necessary to create a government that can restore some of the institutions that are essential for the promulgation of laws, which must be drawn up on the basis of an exchange of views between parties. This will for example allow for the approval of a political party law and an electoral law that can be totally satisfactory for all parties. This will also allow for the creation of an electoral board that can act as a real guarantor for equality and for participation. Finally, electoral records should be cleared. This reflects the need to assemble the structure of a future democracy, which will lead us to the free democratic game sometime at the end of the process.

[Rubin] These remarks by Dr Ynsfran should be emphasized, because he depicted a situation that is exceptional. He even said: I do not know whether elections will be totally free.

[Nielsen] I also paid attention to that remark, but ...

[Rubin interrupts] And he was not merely speaking about the equality among the media. I believe it is very important that you later release the remarks by Dr Ynsfran through this television channel. It is, really ...

[Nielsen interrupts] Dr Laino wanted to make some comments on the issue.

[Laino] Before talking about this exciting current issue, I would like to ask a question of Dr Ynsfran, which reflects not only my own personal concern but also that of a large sector of society and even of the international community. Why hasn't the provisional government released an official report on the number and the names of those who died during the coup? We talked about this issue with the interior minister, but he minimized the subject by saying there were some 17 to 30 injured. There are people, however, who have mentioned figures that are much larger, between 300 and 400 dead. I believe that the provisional government should show its good intentions and its good faith in this particular case, which has deeply affected the feelings of the Paraguayan people. The dead are recruits, young soldiers, and policemen who did not even know what they were fighting for. They received orders and they went to fight. I believe the government should release an official report with the exact number of casualties. I believe this should be a priority task of the government.

[Rubin] What do you think about it Euclides? [Rubin continues without waiting for answer] Please, excuse me. I would like to pursue something that was not clearly explained. Dr Cristaldo mentioned that he was bothered by a remark by General Rodriguez who, in his proclamation, mentioned the Colorado Party. I believe that Rodriguez should be the president of all Paraguayans, even if only for 3 months or for a longer period later, and not only of the Colorado Party. [preceding Laino question on casualties is never answered] [passage omitted]

[Phone-in question] Good evening, Christian. I am Alvaro Ayala. [Words indistinct] I would like to ask a question of Dr Ynsfran. He has said that (?he supports) the new government. I would like to ask Dr Ynsfran about the method that should be used to let the majority of Paraguayans choose their leaders in the short term.

Since he said he is actively engaged with the new government, can he tell us how the majority of Paraguayans will be able to cast their votes after a short 3-month period?

[Nielsen] To whom is your question specifically addressed?

[Ayala] To Dr Ynsfran.

[Ynsfran] Well, to some extent we have already answered that question. We are in the middle of a debate over the possibility of postponing the elections. As for the possibility of holding the elections after such a short period, the decision will depend on the government and on the opposition parties. I am not sure I could grasp the real meaning of the question. I did not understand him very well.

[Nielsen] You could not hear him well, right?

[Acevedo] I think he is asking about the procedure to give the people more chances to participate in the elections. I believe he is referring to the requirements to be met and the preparation of new electoral registries, and wondering about the Colorado Party position.

[Ynsfran] The Central Electoral Board is obviously now making a serious effort to record all necessary registrations in the shortest possible time. I do not say that it will be able to clear all the registries, because it is very difficult. It is a problem that involves electoral technicalities that are dealt with by the Central Electoral Board and not by our party. Now, if the elections were postponed, thus giving you more chances for participation, it might be possible to register the voters and to clear the registries. Well, the clearing of the registries may not be perfect, but the registration of voters will be done seriously.

[Cristaldo] Dr Ynsfran, this will call for the modification of a situation under the current electoral law, namely, that only those who registered for the elections of 1988 can participate as voters and candidates in these elections. We know, however, that a vast majority of voters did not register for those elections. Therefore, it is necessary to open a short 30-day period so that those who now see that their votes will actually be counted and who now want to participate can have a chance to register in order to vote or to run in the elections. In addition, another major issue is the apportionment of the number of elective posts.

[Ynsfran] Well, this issue has not yet been considered, although it would be important to do it.

[Nielsen] There are actually many major topics, like the electoral law. As a constitutional law expert has put it, either we amend it or we burn it in the main square, right?

[Ynsfran] I have to answer this question, and I will also take advantage of this opportunity to answer the question that was asked by Mr Ayala. The answer is obviously yes. Irrespective of the decision to postpone the elections, voters will obviously have to be allowed to register. This is a necessary step, and it should be taken in the shortest possible time with all available material and human resources. To a considerable extent, this will also depend on the opposition, who should control and report on that situation, acting as overseers of the Central Electoral Board.

[Laino] Do you remember, Dr Ynsfran, that we talked about the possibility of automatic registration through the Investigations Department?

[Ynsfran] I do [words indistinct] with the identification card. You told me it is the Argentine system.

[Laino] This system would make things far easier.

[Ynsfran] Well, I don't think it will be possible. I was told it would be impossible.

[Rubin] Dr Ynsfran, I would like to ask you a question now that we are all here, and taking into account that this is a de facto, revolutionary government. The party, although I don't know who among you has offered the candidacy to Rodriguez behind the back of the Colorado Party people, because I don't think you had a chance to consult with two or three [party precinct] presidents over this national decision. The party has installed a new executive board on the basis that this is a de facto government and a revolution, merely by saying: Here we are, period, right? I have the impression that the Colorado people must have felt they had been deceived, because Stroessner was ousted, and this was fine because it could give them a chance to designate someone else. I believe that Esteche Fanego said in Nueva Italia that Foreign Minister Argana was the candidate. In a redical change, however, 24 hours later he said that Argana looks like Rodriguez, or that their surnames are similar. Why has the candidacy been offered to Rodriguez without consulting the people?

[Ynsfran] Well, as far as the party is concerned, it was also without leaders. The coup was staged not only against the executive branch but also against the Colorado crust that had formed in the executive board.

We had only a small piece of legitimacy in the person of Dr Juan Ramon Chaves. Ever since the 1 August 1987 convention he epitomized the party; he was the president of this party, the banner of all Colorado people who followed the party's Traditionalist line in opposition to Stroessner. A very tenuous legitimacy was built upon that link. That is why the new board is a provisional board.

[Nielsen, smiling] Now you are among the irregular politicians.

[Ynsfran] Well, in addition, our designations had to be handpicked, but we did that because we had no choice because rapidly...

[Rubin, interrupting] And what about the candidacy?

[Ynsfran] That is an issue that will be considered in due time. The party convention will make a final decision. Any suggestion will be welcomed. There are no reasons to oppose any candidacy.

[Rubin] Consequently, the party candidacy has not yet been proclaimed. The candidacy was offered to Rodriguez and he accepted it.

[Ynsfran] No, no, the proclamation can be made only by the party convention...

[Rubin, interrupting] I know, but...

[Ynsfran, continuing] We are now trying to legitimize the situation of the party through the rank and file. That is why we have summoned assemblies in 270 party precincts. They will hold their meetings before 1 and 2 April, which is the date for the convention. All assemblies should be over and all convention delegates between 600 and 800 of them, should be designated by that date. The convention will then convene and all decisions will be legitimate. [passage omitted]

[Ynsfran] Regarding our countryman's question as to what we will do in the future , to some extent the answer was given by Euclides. We all have our programs. We have presented clear, precise programs. Our movement had prepared a political plan, which was made public. Our party has its own program of government. The fact that it has not been implemented, particularly its political aspects, is something else. Many things have been done in other areas, but we fell behind in the political area. We must say that the reason our party lagged behind in the political area was closely related to Mr Stroessner, who was the first to desert democracy when an attempt was made to implement it.

What we are going to do is a topic of interest to all citizens. Later we will seek a political pact to establish some basic guidelines for building a democratic institutional order in which the game will be cleanly played, with free competition and by all political sectors. That is my answer.

[Nielsen] A political pact is now being mentioned. What is your opinion? Because this is a proposal really...

[Acevedo, interrupting] I want to pin down some concepts. In a democratic regime, human rights and liberties cannot be set as objectives, because they are basic requirements. Everything can be negotiated except public liberties. I can negotiate with you, Dr Ynsfran, the electoral law, but I cannot negotiate the curtailment of any public liberty under any circumstance. That is why, and I believe that Laino said it before, there is a need to bring to light some outright violations of human rights—cases of missing persons, among other matters. As for what Cristaldo said, if we talk about a national political pact that is appropriate for a transition, we can negotiate a state model, but not a government program, because then we would be admitting that there is some sort of ideological uniformity, which does not in fact exist. We must agree on the structure of the republic in which we will live. Each party can then formulate its program of government, that is, decide now to administer the republic in which we will live. The national political pact, or democratic pact, or coordination—whatever we call it—should first consider the state model, which involves the construction of a new republic, constitutional reform, and so forth. I do not believe, however, that a political pact on a common program of government is possible.

[Nielsen] What I am concerned about, Euclides, and you were looking at it from that angle, is how a political and economic future can be planned on some compatible basis. Suppose someone proposes a centralized—or state interventionist—economy, and someone else proposes absolute liberalism, and yet someone else proposes—as was the case under the old regime—a hybrid, totally pragmatic model. How can a socio-political and economic structure, more or less stable over th long run, be defined without making some accomodation to all programs that might be offered?

[Ynsfran] That can emerge from a general debate.

[Laino] I believe that we should not hurry too much. We are talking of implementing a social and economic model. We are just beginning a transition process, because an authoritarian government has been replaced by one that is beginning to liberalize. We now have more elbow room politically; we can call rallies and hold assemblies. We must look around at other transition processes in the Southern Cone, but not to copy them. We have the Brazilian process, where the transition moved very slow. After years, a Constitution has been approved by the Constituent Assembly of the Federative Republic of Brazil. Uruguay had a different process—through talks between the generals and members of the Colorado Party, the National Party, and Broad Front. An agreement was reached...

[Rubin, interrupting] The talks began [words indistinct] would have many things to tell you when the past was talked about. Yes, to some extent the Uruguayan pact, the Uruguayan pact is thought about.

[Laino] There is the Argentine process, which was totally different. The Chilean process began recently when the no-vote won at the plebiscite and the dictator accepted the result; Chile is moving toward democrtization. We now have to work out our own transition, according to

our own situation and reality. The Paraguayan transition will have to be different from the Argentine, Bolivian, Brazilian, and Chilean transitions. This is what we must seek at this time.

Our transition must move on two tracks: dialogue and flexibility. That is why we gladly agreed when Dr Ynsfran, the vice president of the reorganization junta, sought out a dialogue with important representatives of the Social Democratic Party, Febrerista Revolutionary Party, and Authentic Radical Liberal Party—Dr Cristaldo, Dr Euclides Acevedo, and myself. The dialogue began when we talked with Dr Ynsfran. Then we talked with Interior Minister General Orlando Machuca Vargas. I believe that we must keep talking. And there should be flexibility. For me, flexibility is fundamental. [passage omitted]

[Cristaldo] It is necessary for the political parties, before the elections, to reach agreement on some basic points that must be respected by everyone once the new government is elected. The political pact will have to be implemented under the new government. If a political timetable, which should culminate in a national constituent assembly to write a democratic constitution to replace the current one, is agreed on before the elections, then I do not see why the political parties that will participate in the elections could not include in such a document points that will be respected by the government and the opposition. I am not referring to a program of government with technical details, which each party has the right to propose. I am referring to some fundamental and basic points that everyone must be bound to respect.

[Laino] There are two plans: an ideal one and a real one. Cristaldo is here proposing that talks be held among political parties. I don't know whether the political parties will have enough force to leave out, for instance, the Armed Forces. The Armed Forces are a real power. I believe we will have to address this matter very carefully, because I believe that a process of transition is also taking place within the Armed Forces. The new colonels who are taking important posts within the Army should be aware that the Armed Forces should lose its partisan character, that the institutionalization of the Armed Forces will benefit them. Stroessner, by making party membership obligatory for all Army officers, only reduced the role of the Armed Forces, making them representatives of a sector of society, not of the entire society as established by the Constitution. Their role is to guard the nation's sovereignty, to defend the nation. They have to be Armed Forces of the nation, not of a political party or of a man. I believe this is very important.

[Rubin] Will we go on with this panel or will we ...

[Nielsen, interrupting] I believe that we will unfortunately have to end it, but I would like for each of you to define a couple values that are fundamental to the construction of the present and the future. To which values will you give priority? Let's us begin with Euclides.

[Acevedo] I believe that at this moment we will have to give priority to two points, which are a challenge more for the provisional government than for the opposition. I believe that the postponement of elections—to the requirement of democracy, not to satisfy demands of the opposition—will give the government a credibility that has been lost but that we all expect to be restored. Secondly, I believe the provisional government should demonstrate its will to respect human rights. To respect human rights is not only to protect public liberties but also to speak truthfully—not only about the exact number of casualties in the recent military uprising, but also about what happened with Oviedo, Mancuello, Captain Americo Villagra, Miguel Angel Soler, Berliz Villagra. What happened to these people? The government must demonstrate its willingness to speak the truth, nothing but the truth. These are two main values, and everything else will fall into place as a result. If there is no credibility, if there is not a clear demonstration of a willingness to initiate a process of democratization, we would be exposed to a new fraud and a new deception. We can afford such a disappointment, because we have a historical challenge we all must accept.

[Nielsen] Dr Laino, I remind you that before making your final statement, you still have to answer a question asked over the phone. How did you feel as a participant in the opposition rally held in downtown Asuncion this past Saturday? That was the question—just to say how you felt.

[Laino] I felt very moved. I felt something that is very difficult to express in words. Few times in my life have I felt as moved as I did on that occasion, 11 February. As I watched the crowd, as I saw so much enthusiasm, I once again swore to continue working to bring democracy to Paraguay.

[Nielsen] Which values are important for the future in your view?

[Laino] Basically, as Euclides said, I believe that human rights are at the center of civilian society's concern's. Any Paraguayan who has suffered imprisonment, attacks, or injustice obviously attaches great value to human rights and respect for human beings. I believe this is an essential value. At this time the people should tell the provisional president, Gen Andres Rodriguez, that we must forget and never attempt to continue the repressive, oppressive, antipopular model of the tyrant Stroessner. We must seek a better model, and I believe he [Rodriguez] has a great chance to do so. I believe that the Armed Forces have now gained the heart of the people. Civilian society admired Gen Rodriguez for confronting the tyrant and throwing him out. Rodriguez should now proceed with his work. It is easy to start a process, but it is difficult to finish it. We, the political parties and civilian society, are in position to support him in his efforts to build democracy and to hold better elections that those of the past. If he with the Colorado Party should decide to postpone the elections and to prepare

new voters' lists, then we all would gladly cast our votes in honest elections, which are unlike those fraudulent elections that Stroessner staged over the past 34 years.

[Nielsen] Humberto, you still have to give an answer to that man whose dog was barking as he made the phone call. Do you remember?

[Rubin] Yes, yes. The man or the dog? Whom should I... Well, to both. I felt very happy, very satisfied. Above all I felt an urge to talk on the microphone, but I still can't do it because the decree authorizing the reopening of my radio has not yet been signed. I suppose that it will be signed at any moment, and Radio Nanduti will be back on the air. The thing I value most is freedom of the press. Please don't be too selfish when you talk of human rights and ...

[Unidentified panelist, interrupting] It is included, it is included.

[Rubin continuing] I know it is included, but without freedom of the press, everything else is in jeopardy. Please pray that Gen Rodriguez, or whoever gets elected president, respects freedom of the press, without any condition such as mature or responsible journalism. I suffered because Dr Ynsfran talked on my radio a couple of times. I suffered many problems. Because of him, I was put in jail twice. Because of you [pointing to another panelist], my radio was closed for 15 days and because of you [pointing to another panelist], it was closed for I believe 30 days. You [pointing to Nielsen] were not yet around. At any rate, this can be taken as an award of sorts. But never again, Dr Ynsfran, and if you have any influence on Gen Rodriguez and his people, tell them that there are not two kinds of democracy, two kinds of freedom, two kinds of freedom of the press. There is only one, just one. If someone commits a crime in talking over the radio, in writing in a newspaper... an old saying is that the one who fires the gun must be arrested, not the gun. So if we personally are at fault, never let the communication media be penalized. And another thing: the judicial branch should be independent. I am terrified not by the law, but by the judge. If that can be achieved, we should go down in history and Rodriguez also. As long as Gen Rodriguez refuses to allow streets, plazas, and cities to be named after him: as long as he, who is appreciated and popular—I believe he is—has the courage to refuse such tributes to his name, so that "Stroessner" is not be changed to "Rodriguez," [changes thought] it will do him no good. I believe he is intelligent enough to reject this adulation, and if he manages to do that, a new Paraguay will be born.

[Nielsen] Dr Cristaldo.

[Cristaldo] I believe that two values are fundamental at this time. One is promoting participation. The Paraguayan people has so far participated not at all or very little in the country's process. The people must have an organized, responsible participation at this time so that democracy can be built by all of us. The other value is ethics in politics, which presuposes, in the first place, that the government, the opposition, the political parties, and the labor unions can speak the truth. No one should fear to speak the truth and to be just. Justice is a value that is essential to coexistence. There can be no civilized coexistence without justice—the social justice to give the large dispossessed sectors their fair share. Nor can there be coexistence without peace—not just peace per se, but the peace of a tranquil conscience, respect for human rights, solidarity and fraternity among all Paraguayans.

[Nielsen] Dr Ynsfran, please.

[Ynsfran] I substantially believe that we should put together the proposals made in Rodriguez' proclamation and implement them. We sincerely hope that he will fulfill his commitment. We should be determined to cooperate with him in doing what must be done: to work for human rights, democracy, respect for the Church. Above all we must guide the true feelings of the majority of the country. If we, Colorados, turn out to be that majority, very well; if others are, let them be. This is my wish and hope for my country's future.

[Nielsen] And the wish of this panel is that it has achieved its purpose. I believe it was a good attempt. Channel 13 assumes a commitment to air these panels, not only to reflect the thinking of the political leaders but also to give people an opportunity to let those leaders know what they expect from them. Thank you, Dr Ynsfran, Dr Cristaldo, Humberto, Laino, and Acevedo for having been here tonight. And thank you for tuning in. We will be back next Monday, God willing.

New Armed Forces' Assignments Announced

PY1402170089 Asuncion HOY in Spanish
14 Feb 89 p 7

[All Decree Numbers as Published]

[Text] The Executive Branch has issued various decrees naming high-ranking officers to new posts. Decree No 50 names Colonel DEM [General Staff Degree] Crispiniano Lopez Gimenez as Artillery Acting Commander to replace Colonel DEM Tomas Aquino Arguello, and Colonel DEM Carlos Alberto Laran as Armed Forces Physical Education School Commander to replace Colonel DEM Benito Morales Reichert.

Colonel DEM Pedro Fernando Torres Martinez has been named Train Services Director General replacing Navy Captain DEMN [Navy General Staff Degree] Jaime Grau Paolini.

Colonel DEM Mauricio Bartolome Diaz Delmas has been named Armed Forces Agricultural Service Director replacing Colonel DEM Eduardo Allende.

Colonel DEM Luis Cornelio Canete Rodriguez has been named War Materiel Director replacing Colonel DEM Solano Ignacio Gamarra.

Colonel DEM Cesar Concepcion Ferreira Sanchez has been named Armed Forces Noncommissioned Officers School Commander replacing Colonel DEM Cristobal Guanes Ribeiro.

Decree No 51 names Brigadier General Otello E. Carpinelli Yegros as National War College Commander to replace Division General Gustavo Prieto Busto.

Decree No 52 names colonel DEM Eduardo S. Gilardoni Diaz as Civil Aeronautics Director General to replace Colonel DEM Victor Rafael Basualdo Fornells.

Decree No 53 names Colonel DEM Marcial David Samaniego Ocariz as Military Industries Acting director to replace Brigade General Juan Vicente Rabito Jara.

Decree No 54 names Lieutenant Colonel DEM Aurelio Victor Duarte Diaz as National Air Transport Company (TAM) [acronym as published] Administrator General to replace Reserve Colonel DEM PAM [Military Pilot] Adolfo Paredes Gonzalez.

Decree No 55 names Navy Captain DEMN Andres Ramon Legal Basualdo as Military Supreme Court Acting president to replace Brigade General Otello E. Carpinelli Yegros.

Decree No 56 names Navy Captain DEMN Carlos Cubas Vildosola as president of the adminstration council of the Paraguayan Iron and Steel Industry (SIDEPAR) to replace Brigade General Roberto P. Knopfelmacher.

Decree No 57 names Colonel DEM Alberto Rafael Hellman Gareca as president of the Paraguayan Military Sports Federation (FEDEMIPAR) to replace Brigade General Bernardino Peralta Baez.

Decree No 56 names Francisco Barreiro Maffiodo as Foreign Ministry adviser.

Decree No 47 names Alberto Nogues [former Foreign Minister] as presidential ambassador at large.

Decree No 48 names Engineer Miguel Luciano Jimenez as Itaipu Binational Financial director.

Uruguay

Protest To Be Lodged on British Plane Incident

PY1402174989 Buenos Aires DYN in Spanish
1708 GMT 14 Feb 89

[Text] Montevideo, 14 Feb (AFP)—Foreign Minister Luis Barrios Tassano has said that the Uruguayan Government will present today a "categorical" protest to the United Kingdom for the rerouting to the Malvinas Islands of the British military plane that on Friday, 10 February, landed in Uruguay and should have flown to Ascencion Island.

After a meeting with President Julio Maria Sanguinetti, Barrios Tassano said that "Uruguay has decided to lodge a formal, written protest to the government of her Majesty, the Queen of England, expressing its dissatisfaction over this event."

Barrios Tassano expressed hope that the episode "will not weaken" the "historically good" relations between the United Kingdon and Uruguay, but warned that "we are going to conceal our dissatisfaction and our displeasure when these relations are not developed through the normal channels and [passage indistinct including close quote]

Barrios Tassano made this statement shortly after British Ambassador to Uruguay Eric Vines confirmed that the military plane flew directly to the Malvinas Islands and not to Ascension Island, as agreed upon with the Uruguayan Government.

Further on Protest

PY1402184789 Buenos Aires TELAM in Spanish
1820 GMT 14 Feb 89

[Excerpt] Montevideo, 14 Feb (TELAM-ANSA)—Today the Uruguayan Government submitted a strong protest to the British Government over the British military plane that on 11 February took off for the Malvinas, disregarding an agreement authorizing the takeoff on the condition that the plane leave for Ascension Island.

Uruguayan Foreign Minister Luis Barrios Tassano today summoned British Ambassador Eric Vines to deliver the protest.

"It is a formal reaction stating our disatisfaction and protest over this incident" said Barrios Tassano to the press. He added that the note will not be released by Uruguayan officials. [passage omitted]

Venezuela

Minister on Normalization of Relations With Cuba

PA1502024489 Madrid EFE in Spanish
0002 GMT 15 Feb 89

[Text] Caracas, 14 Feb (EFE)—Venezuelan Foreign Minister Enrique Tejera Paris today said that Venezuelan relations with Cuba "will be the same as those we maintain with other countries."

Tejera reminded the press that Venezuela has never broken relations with Cuba, although these became cool during a long period when diplomatic missions were reduced to the level of charges d'affaires.

Political circles have pointed out that Venezuelan President Carlos Andres Perez and Cuban President Fidel Castro on 2 February agreed to normalize relations and to reopen embassies in each other's country.

Omar Morales, Cuban charge d'affaires in Venezuela, announced on Monday that the site of the Cuban embassy and consulate in Caracas has been chosen.

Relations between the two countries became tense in 1976 when a bomb exploded on a DC-8 plane of Cubana de Aviacion as it was flying over the Caribbean, killing 73 people on board.

The trial held in Venezuela against the perpetrators and masterminds of the action ended in 1987 when Venezuelans Hernan Ricardo and Freddy Lugo were sentenced to 20 years in prison and Cuban Orlando Bosch was found innocent.

Luis Posada, the fourth person implicated in the case, escaped from the San Juan de los Morros Prison in southwestern Caracas, under circumstances that were never totally explained, and is still wanted by the authorities.

Cabinet Members Analyze Economic Measures

PA1002234189 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 10 Feb 89

[Report by Jenny Silva]

[Text] President Perez' cabinet ministers concerned with the economic and social fields have explained and analyzed the content, scope, and effects of economic adjustment measures the national chief executive will implement in the next few days in an attempt to correct imbalances currently affecting the economy and limiting its growth.

Finance Minister Eglee Iturbe de Blanco, Coordination and Planning [CORDIPLAN] Minister Miguel Rodriguez, Development Minister Moises Naim, and Agriculture and Livestock Minister Fanny Bello, all of whom represented the economic cabinet; Labor Minister Marisela Padron; and Presidency Secretary Reinaldo Figueredo accompanied the head of state during his meeting with top authorities of the National Executive Committee [CEN] of Democratic Action [AD].

It was known that besides the implementation of economic measures, participants in the meeting also discussed a three-level salary compensation system for public employees. However, the amounts and percentages involved are unknown, because there are several alternatives available and no decision favoring any of them has yet been reached.

Upon leaving the meeting, CORDIPLAN Minister Miguel Rodriguez expressed great optimism. He said authorities of AD's CEN left the meeting very satisfied. Rodriguez reaffirmed the country's need to correct economic problems that will only be overcome through the implementation of these adjustments to curb inflation and foster growth:

[Begin recording] This is a very serious adjustment program that, as with any adjustment program, undoubtedly affects a number of sectors, each of which is requesting special treatment. However, when macroeconomic measures must be implemented, we must keep in mind that the consequences of such measures will not affect all sectors equally.

We must understand that this is an economic program that will yield important results for Venezuela; it will bring very high economic growth and significantly reduce inflation over the next few years. It will give Venezuela access to important foreign financial sources.

The best social program a government can implement is one resulting in high growth and reduced inflation, because this atmosphere is the only one that will increase the real wages of workers in any country or economy in the world. [end recording]

The ministers of the economic field announced they will hold a news conference next week to provide full explanations on the economic package.

The CORDIPLAN minister did not rule out the possibility of floating interest rates this week. However, he stated that all measures will be part of an economic package.

Government Appoints New OPEC Representative

PA1202135889 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 11 Feb 89

[Excerpt] The Ministry of Energy and Mines has decided to appoint Dr Gonzalo Plaza as the new Venezuelan governor to OPEC.

The representative will now reside in Vienna, where OPEC's Permanent Secretariat is located, because Venezuela wishes to have closer ties to that organization. [passage omitted]

Police Detain 'Tourists,' Seize Cocaine

PA1302044789 Caracas EL NACIONAL in Spanish 2 Feb 89 p D-32

[Summary] Venezuelan National Guard members detained Puerto Rican tourists Efrain Carrasquillo Martinez and Wilsinley Derieux Hernandez with 14 kg of cocaine while the couple was about to board the Italian ship "Carla C" at the Venezuelan port of La Guaira on 31 January.

*** Venezuela's Perez Accused of 'Demagoguery'**
32480067 Managua EL NUEVO DIARIO in Spanish 13 Jan 89 p 2

[Editorial by Francisco Hernandez Segura: "Carlos Andres Perez Does Not Rule in Nicaragua"]

[Text] More than a few Nicaraguans are seriously concerned about the insolent stands that the president-elect of Venezuela, Carlos Andres Perez, has taken, according to the mercenary newspaper published in Managua with financing from the U.S. Government (we are talking about LA PRENSA).

"Carlos Andres said that he agreed with LA PRENSA accepting materials, ink and paper from the FND (American Foundation to Support Democracy, an organization funded by the CIA to conspire against progressive regimes in Latin America and the world by using prostituted democracies; author's note), with the Newspaper of Nicaraguans (mercenary Nicaraguans) being allowed to preserve a forum for freedom of information as the only way to struggle for all other freedoms in Nicaragua," wrote, among other things, the woman who serves as "editor" (?) in the aforementioned paper on Tuesday the 10th.

The president-elect of Venezuela, Carlos Andres Perez, has every right to hold whatever view he feels like. He may agree that a country that is waging war against the powerful American government, like Nicaragua, should be obliged to put up with a newspaper that receives money from the CIA to slander and make up journalistic accounts that twist the facts so as to destabilize the revolutionary regime. Fictitious accounts such as the movement of Soviet submarines in the port of Corinto and other jurisdictional areas of Nicaragua in the Pacific and in Nicaragua's Atlantic waters.

The constitutional government of the Nicaraguan Revolution, however, with the support of a broad social majority, has complete authority to run the country on the basis of popular democracy. Such a system is completely alien to the pseudo-democratic, demagogic government that Carlos Andres Perez practiced in the past, when cardboard roofs and hunger, among other social ills, marked the lives of the Venezuelan masses in spite of the inexhaustible oil wells that underlie the country's wealth.

"Carlos Andres Perez, the next president of Venezuela and a possible leader of the Latin American community and of the group of The Eight, is waiting for a reply from President Daniel Ortega in which he offers ways of resolving the status of the independent press in Nicaragua so that democracy can thus triumph in this country," reads the commentary that the editor supposedly wrote in the newspaper in question.

It has thus been learned that the president-elect of Venezuela has voiced his concern about saving Democracy in Nicaragua, which is something altogether different from the assertions of Carlos Andres Perez' female Nicaraguan confidants.

Moreover, it is understandable that a newspaper like LA PRENSA, whose editors while in Washington have called for an armed invasion of Nicaragua, should be delighted when any "democrat" from anywhere in the world feels like telling the government of Nicaragua's broad social majority how it ought to and has to govern (thus violating every principle of ethics in politics, international law and the right of self-determination of peoples).

Fortunately, there are sensible people in Latin America, including the Caribbean and South America (and, of course, Venezuela), people who respect the principle set forth by Benito Juarez to the effect that "respect for the rights of others is peace."

We feel that in light of the political and social realities of Venezuela, Carlos Andres Perez' victory in achieving another presidential term in his country was a positive development. But availing ourselves of our freedom of speech, we must say that the government that this politician will run in his country will not be among the best. And we say this based on experience. When he left the presidency the first time, hunger, poverty, acute infant malnutrition, illiteracy and unemployment, for example, were as securely established in that country as they are now.

This is our judgment. Yet we dutifully respect the decision of the majority of the Venezuelan people, who elected a politician who has done some fine things that have benefited his country. Nevertheless and above all, pseudo-democratic demagoguery has been his favorite weapon in dealing with the acute problems besetting Venezuela.

Suriname

Arron Returns, Discusses Meetings in Venezuela
FL0902192789 Paramaribo International Service in English 1730 GMT 9 Feb 89

[Text] Vice President Henck Arron has said that he held fruitful discussions during his recent visit to Venezuela. Arron held discussions with, among others, the presidents of Venezuela, Guyana, and Brazil.

During all these discussions they spoke about the bilateral relations between Suriname and these countries. They also exchanged views regarding Latin American integration.

According to Vice President Henck Arron, at the moment this matter is very important for the region, especially with the focus on the future unification of the European Community.

The vice president was in Venezuela to attend the inauguration of President Carlos Andres Perez. Arron was accompanied by Foreign Affairs Minister Eddy Sedoc and assembly member (Rufus Neitmir).

The delegation returned to Suriname last Monday.

Insurgent Activities Hurt Cooking Oil Company
FL1302170289 Bridgetown CANA in English 1800 GMT 11 Feb 89

[Text] Paramaribo, Suriname, Feb 11, CANA—The joint Vegetable Oils and Fats Company in Suriname GPOV—last year suffered a loss of seven million guilders (one guilder-about 57 U.S. cents) as a result of rebel activity and foreign exchange problems, officials reported.

The company, which was set up in 1987, groups the oil palm companies Phedra, Patamacca and Victoria, with palm oil being refined at Victoria, about 110 kilometers south of Paramaribo.

Last year only about 1.8 million litres of cooking oil were produced by the company and this represents about 25 percent of the total capacity, according to the director of the company, Imre Fong Poen. Fong Poen attributed the loss to factors including the shortage of capital and rebel campaign to oust the government, adding that peace and the allocation of foreign currency were very important for better results of the company this year.

Fong Poen said that last year the company received only U.S. 82,000 dollars in foreign exchange and this was by far too little, since it needed a heavy injection of hard cash to replace stolen and ruined material and equipment. "With the limited allocation of foreign exchange last year, the company was still able to save the country some 1.5 U.S. million dollars in foreign exchange and this was indeed a positive result," Fong Poen said.

Shortage of labour continued to plague the company, and industrial disputes caused the company about one million guilders last year, company officials reported.

Some 800 workers are employed directly and indirectly by the company, but the company is not producing currently because workers say their safety is not guaranteed.

Since ex-soldier Ronnie Brunswijk started his activities in July of 1986, the company was attacked on several occasions causing losses of millions of guilders. Fong Poen complained that the company was not being supported by the police, Army and other institutions.

Since 1986 the GPOV suffered a total loss of near to 80 million guilders.

The Patamacca business was destroyed by the rebels while last year Victoria was attacked no fewer than five times with heavy losses incurred on each occasion.

Fong Poen pointed out that the spearrot disease which is prevalent among the oil palm plant had wreaked havoc with the company. "One year after the international spearrot seminar was held in Suriname, the authorities were still unable to come up with an effective plan to fight the disease so we have to learn to live with it", said Fong Poen.

Since the workers have refused to resume operations following the latest attack by the rebels, there has been a shortage of cooking oil.

The government recently brought in soya bean oil from Holland.

Narcotics Squad Discovers Marijuana Plantation
FL0902194089 Paramaribo International Service in English 1730 GMT 9 Feb 89

[Text] The narcotics squad of Suriname has last Tuesday discovered a large marijuana plantation in the Para District and has confiscated the drugs. Some 1,750 marijuana plants with an estimated sale value of about 1 million guilders were found.

In relation to the marijuana find, a 64-year-old farmer and two assistants were arrested and have made a confession after police interrogation. According to the police spokesmen, Inspector (Rue Guyadar), this is the biggest marijuana find ever in Suriname.